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Annual Report



Department of **Local Government and Housing**
Departement van **Plaaslike Regering en Behuising**
Isebe **looRhumumente boMmandla nezeZindlu**





08|09

ANNUAL REPORT

WESTERN CAPE DEPARTMENT OF
LOCAL GOVERNMENT AND HOUSING

WESTERN CAPE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

2008/2009

ANNUAL REPORT

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Disclaimer

Part 3 and 4 (except for the Report of the Accounting Officer), have not been translated into Afrikaans and Xhosa in order to preserve its original intent and context.

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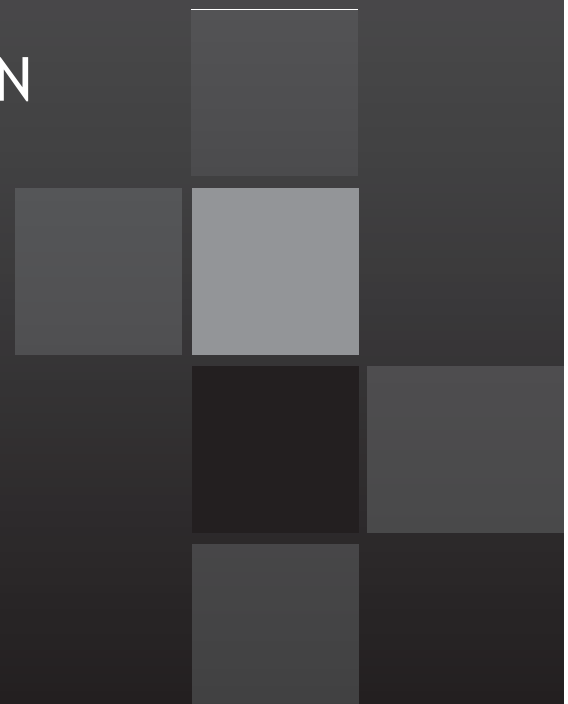
ABBREVIATIONS & ACRONYMS

BNG	BREAKING NEW GROUND
BESP	BUILT ENVIRONMENT SUPPORT PROGRAMME
CFO	.....	CHIEF FINANCIAL OFFICER
CDW	.....	COMMUNITY DEVELOPMENT WORKER
DORA	.....	DIVISION OF REVENUE ACT
EEDBS	.....	ENHANCED EXTENDED DISCOUNT BENEFIT SCHEME
EHP	.....	EMERGENCY HOUSING PROGRAMME
HRM	.....	HUMAN RESOURCE MANAGEMENT
HSS	.....	HOUSING SUBSIDY SYSTEM
IDP	.....	INTEGRATED DEVELOPMENT PLAN
IGR	.....	INTERGOVERNMENTAL RELATIONS
LED	.....	LOCAL ECONOMIC DEVELOPMENT
LEFTEA	.....	LESS FORMAL TOWNSHIP ESTABLISHMENT ACT
LGMTEC	.....	LOCAL GOVERNMENT MEDIUM TERM EXPENDITURE COMMITTEE
LGSA	.....	LOCAL GOVERNMENT STRATEGIC AGENDA
M&E	.....	MONITORING AND EVALUATION
MEC	.....	MEMBER OF EXECUTIVE COUNCIL (PROVINCIAL MINISTER)
MFMA	.....	MUNICIPAL FINANCE MANAGEMENT ACT
MIE	.....	MUNICIPAL INFRASTRUCTURE ENHANCEMENT
MIG	.....	MUNICIPAL INFRASTRUCTURE GRANT
MIS	.....	MANAGEMENT INFORMATION SYSTEM
PAF	.....	PROVINCIAL ADVISORY FORUM
PAFTECH	.....	PROVINCIAL ADVISORY FORUM TECHNICAL COMMITTEE
PFMA	.....	PUBLIC FINANCE MANAGEMENT ACT
PHP	.....	PEOPLE'S HOUSING PROCESS
RLCC	.....	REGIONAL LAND CLAIMS COMMISSION
SIU	.....	SPECIAL INVESTIGATION UNIT
STP	.....	SOCIAL TRANSFORMATION PROGRAMME
UISP	.....	UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME
WCHDB	.....	WESTERN CAPE HOUSING DEVELOPMENT BOARD
WCHDF	.....	WESTERN CAPE HOUSING DEVELOPMENT FUND



PART 1

GENERAL INFORMATION





GENERAL INFORMATION

1.1 Submission of the Annual Report to the Executive Authority

I, D.P Daniels acting Head of Department, have the honour of submitting the 2008/09 Annual Report of the Department of Local Government and Housing to the Executive Authorities in terms of the Public Finance Management Act, 1999.

1.2 Introduction by the Head of Department

The mission of the Department is to build strong municipalities and develop human settlements that are made sustainable through sound planning and effective community participation.

I am sufficiently satisfied to report that the Department has made significant contributions to this end over the past financial year.

Building strong municipalities

A central thrust of our local government programme is improving the capacity of municipalities. We have launched support initiatives to improve the performance management systems in municipalities, to fully implement the Municipal Property Rates Act, and to improve even further the quality of Integrated Development Plans (IDPs). We are proud that 28 (twenty eight) out of 30 (thirty) municipal IDPs were assessed as “credible” during the latest round of assessments, with 4 (four) of these being assessed as “excellent”.

In some cases more intensive support has been provided where municipalities have encountered significant financial or management difficulties, as in Kannaland, Witzenberg, Cederberg, Oudtshoorn and Overberg District. Dedicated teams have interacted with these municipalities and developed and implemented support measures.

We have also placed great emphasis on good governance in municipalities. We have provided training to officials and councillors on the issues of ethics management and good governance. Recognising that fraud prevention is the most effective way to combat corruption, the Department developed Anti-Fraud Guidelines for Local Government in respect of Human Resources and Finance, which will be a resource for municipalities throughout South Africa. We also assisted municipalities to develop and implement anti-corruption strategies.

The Department also responded effectively to reports of housing subsidy fraud. We have a strong partnership with the Special Investigating Unit (SIU), which resulted in 12 (twelve) court matters being finalised, four investigations into fraud in People’s Housing Process projects being completed and some funds being recovered.

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Dignified Human Settlements

We have continued with substantive housing roll-out, with 15,491 houses completed and 15,297 serviced sites delivered over the past financial year. In order to ensure that our human settlements are integrated and sustainable, we developed a “sustainability criteria” that now form the basis for project planning and approvals.

The Department does not only build formal houses, but also focuses on ensuring that all communities have access to basic services and live in dignified circumstances. This may involve the provision of water, sanitation, and / or storm water drainage, depending on the circumstances of the informal settlement. We have made a significant contribution in this regard over the past year. The Upgrading of Informal Settlements Programme (UISP) approved nineteen (19) projects that benefited over 22,000 households during 2008/09. The Emergency Housing Programme (EHP) also contributed through twenty five projects, which in total benefited over 14,000 households.

In order to ensure that our support is targeted at the most vulnerable communities, the Housing Research and Policy unit finalised a “vulnerability index” that identifies the informal settlements that most urgently require new or additional basic services. The unit also launched a pilot programme to provide rental accommodation for people living in backyard dwellings.

We are also proud of our lesser-known programmes, such as the Enhanced Extended Discount Benefit Scheme (EEDBS). Through this programme, the Department was able to transfer 1826 housing units to beneficiaries who had been renting the units for many years, thereby transforming tenants into homeowners.

Empowered Communities

Our Community Development Workers (CDWs) have continued to work tirelessly in communities. They held more than 200 information sessions with communities on a wide variety of issues (from economic opportunities to food gardening), supported development projects, and provided information on government services such as pensions to countless individuals. A review of the programme has revealed that communities have come to depend on CDWs for referrals to government services and programmes.

1.3 Information on the Ministry

MEC Richard Q. Dyantyi was the MEC for Local Government and Housing from 1 April till 31 July 2008. As from 1 August 2008, the two (2) portfolios were split into two (2) Ministries, with MEC Pierre Uys heading the Local Government, Environmental Affairs and Development Planning portfolio, and MEC Whitey Jacobs heading the Housing portfolio. The Department did not submit any bills to the legislature during the year under review.

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Visits Abroad

From 8 to 14 June 2008 Minister Dyantyi undertook an official study tour abroad to France. The purpose of the visit was to attend the launch of the Organisation for Economic Co-operation and Development (OECD) Report in Paris.

Furthermore, from 15 to 20 January 2009, MEC Jacobs visited Turkey to explore new building methods in the delivery of housing.

1.4 Mission Statement

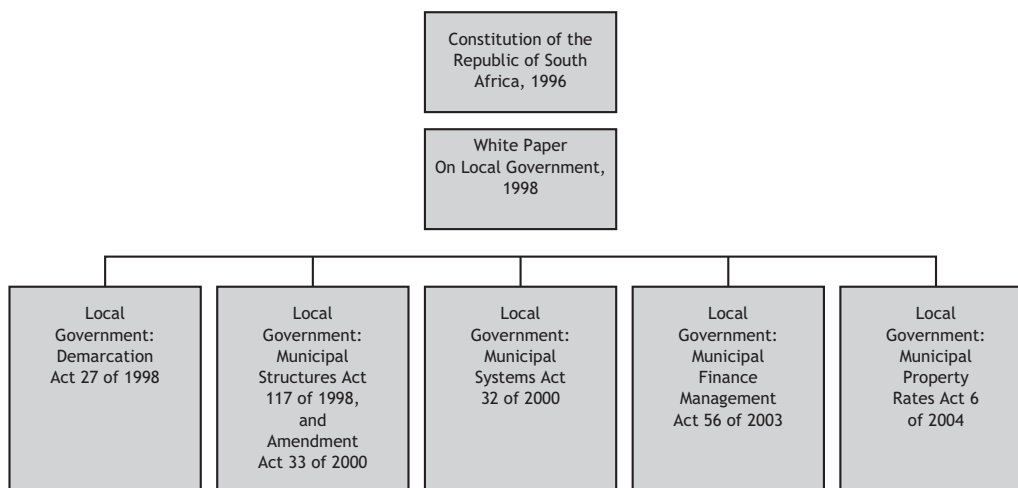
The mission of the Department of Local Government and Housing is:

- a) To be effective agents of change in capacitating local authorities to deliver services and ensure integrated and sustainable development.
- b) To promote, facilitate and develop participative and integrated sustainable human settlements.
- c) To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

1.5 Legislative and other Mandates

1.5.1 Local Government related legislation

The White Paper on Local Government, 1998, and the subsequent package of related legislation depicted below provides the national context for local governance across the country.



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Other Important Pieces of Legislation

- Disaster Management Act, 2002 (Act 57 of 2002)
- Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
- Local Government Laws Amendment Act, 2008 (Act 19 of 2008)
- Development Facilitation Act, 1995 (Act 67 of 1995)
- Land Use Planning Ordinance, 1985 (Ord. 15 of 1985)
- Less Formal Township Establishment Act, 1991 (Act 113 of 1991)
- Western Cape Less Formal Township Establishment Amendment Act, 2007 (Act 6 of 2007)
- Western Cape Determination of Types of Municipalities Act, 2000 (Act 9 of 2000)

The Constitution and its supporting local government legislation gives the Department of Local Government and Housing a number of mandates which include:

- To monitor and support local government;
- To develop local government capacity to enable municipalities to perform their functions and manage their own affairs; and
- To intervene where there is non-fulfillment of legislative, executive and financial obligations.

1.5.2 Housing related legislation and policies

- Housing Act, 1997 (Act 107 of 1997)
- Housing Development Agency Act, 2008 (Act 23 of 2008)
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)
- Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998)
- Rental Housing Act, 1999 (Act 50 of 1999)
- Sectional Titles Act, 1986 (Act 95 of 1986)
- Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)
- Disestablishment of South African Trust Limited Act, 2002 (Act 26 of 2002)
- Western Cape Housing Development Act, 1999 (Act 6 of 1999)
- National Environmental Management Act 1998 (Act no 107 of 1998)
- National Spatial Development Perspective (2002)
- National Credit Act (2007)
- Provincial Spatial Development Framework (2005)
- Breaking New Ground (BNG) housing policy (2004)
- iKapa Growth and Development Strategy (2007)
- Isidima (Western Cape Human Settlement Strategy 2007)



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In respect of housing, the Department is guided by section 26 of the Bill of Rights and is mandated to:

- Take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of everyone's right to housing; and
- Ensure no one is evicted from their home, or has their home demolished, without an order of the court made after considering all the relevant circumstances.

1.5.3 Administrative/Transversal mandates

A series of transversal administrative requirements impact on the work of the department across all its various functions namely:

- Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000
- Public Finance Management Act, 1999 (Act 1 of 1999) and National Treasury Regulations
- Annual Division of Revenue Act
- Skills Development Act, 1998 (Act 97 of 1998)
- Skills Development Levies Act, 1999 (Act 9 of 1999)
- Employment Equity Act, 1998 (Act 55 of 1998)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Promotion of Equality and Prevention of Unfair Discrimination Act, (Act 4 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996).
- Provincial Archives and Records Service of the Western Cape Act, 2005 (Act 3 of 2005)

1.5.4 Imminent legislation

One key bill that provides an indication of future policy also needs to be noted namely:

- Housing Consumer Protection Measures Amendment Bill [B6B - 2007]



Acting Head of Department DP Daniels

Date: 28 August 2009



PART 2

DEPARTMENT PROGRAMME PERFORMANCE



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2.1 Voted Funds

Table 1: Voted funds of R1 615 814 000 for 2008/09

Appropriation	Main appropriation	Adjusted appropriation spent	Actual amount	Under expenditure
	R'000 1 451 041	R'000 1 615 814	R'000 1 615 635	R'000 179
Responsible MEC	MEC of Local Government, Environmental Affairs and Development Planning.			
	MEC of Housing			
Administering Department	Department of Local Government and Housing			
Accounting Officer	Head of Department of Local Government and Housing			

2.2 Aim of the Vote

Creating a home for all, by empowering communities in fully integrated and sustainable human settlements and well-governed developmental municipalities.

Key measurable objectives, programmes and achievements

Key measurable objectives

An annual review of our environment and mandates convinced us that we still had to focus on the following Departmental strategic goals:

1. Municipalities with enhanced capacity to deliver services in a developmental and sustainable manner.
2. Institutionalised and operational inter-governmental relations.
3. Accelerated provision of human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable.

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4. Enhanced social capital formation and facilitate active community participation.
5. Comprehensive information and knowledge management system supported by a strategic and coordinated research agenda as a basis for planning, action, monitoring and evaluation.
6. Sharing of information, formulate effective messages, and build mutual and sustainable relationships.
7. Well functioning transformed department capacitated to deliver.
8. Contribution to sustainable and safer communities in the Western Cape through effective disaster management and fire brigade services

Programmes

Programme 1: Administration

Purpose: To provide strategic leadership and management and effective support services in the Department in accordance with all applicable acts and policies.

Programme 2: Housing

Purpose: To plan, facilitate and develop integrated and sustainable human settlements.

Programme 3: Local Government

Purpose: To promote and facilitate viable and sustainable developmental local governance.

Achievements

The Department had a number of notable achievements in meeting its key strategic objectives of accelerated service delivery, the provision of human settlements and enhancing the capacity of municipalities to deliver services in a developmental and sustainable manner.

Housing Branch

Housing and Infrastructure delivery

In respect of Housing Delivery for the 2008/2009 financial year, significant performance has been recorded against one of the key performance indicators that is, providing individual housing subsidies to qualifying beneficiaries. The Department approved 120 projects, with fifty two (52) signed contracts and addendums and the approval of 14 746 subsidies. The Department was successful in its service delivery, with 15 491 houses completed and 15 297 serviced sites delivered over the past financial year. This attests to the Department's unwavering commitment



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to meeting its constitutional mandate of the progressive realization of everyone's right to housing. The Department has also rolled out a Housing Subsidy System (HSS) online training facility for municipal officials and developers to access approval information online to speed up the response time to housing queries.

Human Settlement Development

In promoting the effective and efficient delivery of housing opportunities through the Upgrade of Informal Settlements Programme (UISP) the Department has during the 2008/09 financial year approved nineteen (19) UISP projects which assisted 22 008 households. Twenty five projects in respect of the Emergency Housing Programme (EHP) were also approved, benefiting 14 186 households. In offering a rental or cooperative housing option for low income persons, the Department has approved two Social Rental Housing projects including Steenberg, which will result in the development of 450 rental units in the future.

Policy and Research

Policy and research initiatives contributed to enhancing the Department's understanding of the complexities of creating human settlements in a challenging socio-economic environment and also provided for some innovative, constructive and practical responses and interventions to the housing problem. Amongst the noteworthy achievements are the Housing Occupancy Study, the Vulnerability Index of thirty eight (38) informal settlements in the Western Cape, the Pilot Programme to promote adequate rental accommodation for people living in backyards and the Sustainability Criteria to provide municipalities with a checklist for sustainability.

Human Settlement Planning

All municipalities were supported with the development of Human Settlement Plans. Eighteen (18) municipalities successfully submitted sectoral plans as part of their IDPs whilst the rest of the municipalities are in the process of either updating or finalizing their plans. The Built Environment Support Programme (BESP), which is aimed at achieving urban restructuring through credible human settlement and spatial development plans, was also launched as a partnership initiative with the Department of Environmental Affairs and Development Planning. Six (6) municipalities were selected for the first round of implementation of the BESP programme which will be incrementally extended to other municipalities.

Asset and Property Management

In reducing the Department's liability and promoting individual home ownership the Department managed, through the Enhanced Extended Discount Benefit Scheme (EEDBS), to transfer 1 826 units to beneficiaries. In addition, the Department has reduced the total outstanding debt by R49 765 000, and reduced the number of debtors by 2423.

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During the 2008/09 financial year, the Department held four (4) training and information sessions on the Housing Subsidy Scheme for the project officers of the Regional Land Claims Commission (RLCC), Western Cape; representatives from Claimant Communities; and the City of Cape Town as part of the capacity building component of the restitution programme. The Department also held a training session for the same target group on environmental matters in terms of the National Environmental Management Act, 1998 (Act 107 of 1998) as well as zoning issues in terms of the Land Use Planning Ordinance.

Local Government Branch

Capacity Development

The Department in the 2008/09 financial year provided ongoing support to municipalities to ensure administrative stability as a means to accelerate service delivery. The Department supported, assessed and monitored the performance of all thirty (30) municipalities in respect of the key performance areas of the 5 Year Local Government Strategic Agenda (LGSA). It also supported nineteen (19) municipalities with the implementation and or enhancement of their Performance Management Systems. Twenty six (26) municipalities were supported with the implementation of the Municipal Property Rates Act and three (3) Districts were successfully supported with the development of a Shared Services model. In the Central Karoo the shared services process was facilitated through the drafting of Memoranda of Understanding (MOUs) between the respective municipalities as well as a cost breakdown analysis for the implementation of the shared services model. Technical assistance was provided by Ilima Trust to Eden District Municipality to assist with the development of a shared services model. This resulted in information technology and technical services as well as functions related to the Chief Financial Officer (CFO) being shared with Oudtshoorn. Kannaland municipality was provided with technical and disaster management support. Shared services were also initiated in the West Coast District.

Specialised hands-on support was provided to Kannaland, Cederberg, Overberg, Witzenberg, Oudtshoorn and Saldanha municipalities to ensure good governance and service delivery in these municipalities. Overberg District was supported in supply chain management processes, the development of delegations of authority and the realignment of their organisational structure. In the West Coast District, four (4) municipalities were supported with the development of performance management systems. Witzenberg municipality was supported with the development of good governance practices.

The Department facilitated an executive leadership training course with an emphasis on driving government organisational performance for municipal managers which was provided by Harvard University School of Governance.



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Municipal Administration

In the 2008/09 financial year the promotion of good governance continued to be high on the delivery agenda of the Department. Twelve (12) municipalities were assisted with the compilation of Fraud Prevention Plans and one (1) municipality was supported with the evaluation of its Anti-corruption Policy, Risk Management Policy and Framework and the development of an Anti-Corruption Strategy and Implementation Plan. The Department further contributed to the development of the Local Government Anti-Corruption Strategy, Anti-Corruption and Anti-Fraud Policy Framework Guideline in respect of Human Resources and Finance (Supply Chain Management) to guide municipalities in the development of their anti-fraud and corruption policies.

Anti-corruption and prevention training was also conducted focussing on Ethics Management for officials and councillors of municipalities in the West Coast, Cape Winelands, Overberg and Central Karoo Districts. Good Governance training was conducted for officials and councillors in Drakenstein and Witzenberg municipalities.

The Department, in partnership with the SIU and the National Department of Housing, also made substantial progress with the investigation of losses of state funds allocated to low cost housing schemes, inter alia, as a result of fraud and/or corruption and maladministration. These investigations were based on the findings of the:

- Auditor-General Report for 2005/06 on the approval and allocation of housing subsidies at provincial departments in respect of government employees; and
- Auditor-General Report for May 2008 on the allocation of housing subsidies to municipal employees by provincial departments.

Considerable progress was also made with investigations into certain People's Housing Process Projects (PHP) identified by the Department.

Governance and Integration

The Department supported the improvement of municipal Integrated Development Plans (IDPs) as the most important strategic plan of municipalities. This included the assessment of the credibility of municipal strategic plans with a special focus on pro-poor planning; hands on support; alignment of provincial municipal development priorities and resource allocation through the Local Government Medium Term Expenditure Committee (LGMTEC) processes; and the roll out of a twelve (12) month IDP learnership training programme to municipal IDP practitioners. Twenty eight (28) of the thirty (30) municipal IDPs were assessed as "credible" during the latest round of assessments, with four (4) of the credible municipal IDPs being assessed as excellent.

The Department continued to effectively coordinate the Provincial Advisory Forum (PAF) and

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Provincial Advisory Forum Technical Committee (PAFTECH) in 2008/09 financial year and successfully facilitated cooperation across the spheres of government. The Department also initiated the deployment of Intergovernmental Relations (IGR) officials to the respective Districts for the purpose of improving governance, communication and integration between Districts, Local Municipalities and Sector Departments. In addition, workshops promoting the IGR Tool Kit were rolled out to Councillors and municipal officials in two (2) District municipalities. The Department through these initiatives continued to act as a principal liaison point for local government within the three spheres of government to facilitate developmental cooperative governance.

A database of IGR officials of all sector departments in the Province was developed as well as an IGR activity/events calendar to stream line and intergrate intra governmental planning activities.

The Urban and Rural Development Programme saw the establishment of an Intergovernmental Working Group and Social Transformation Programme (STP) Intermediary Structures to further enhance and consolidate delivery in the nodes. In addition various workshops were also organized across sector departments and sector specific programmes to facilitate and foster cooperation.

Public Participation

Over performance was achieved against a number of key indicators for the 2008/09 financial year. The Community Development Worker (CDW) Programme facilitated a significant number of information sessions in respect of government services. It furthermore actively supported socio-economic projects and service delivery jamborees in the Social Transformation Programme (STP) areas. In addition, support was also provided across the three spheres to sector specific community projects or initiatives. Some of the successful projects are:

- Nu-Sun Sustainable Development Cooperative in Overberg;
- Bid Project Zwelethemba, Cape Winelands;
- San Parks project in the Central Karoo;
- “Giving the Land Back to People” Project in the West Coast;
- Pacaltsdorp initiative in Eden; and
- Food cooperative project in Atlantis.

With regards to the deepening of governance through public participation, the Department rolled out community based planning and ward committee training for ward committees in various municipalities in the Province and also completed functionality assessments of ward committees in various districts in the Province. District ward summits were also conducted.

Disaster Management



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In contributing to sustainable and safer communities in the Western Cape through effective disaster management and fire brigade services, the Department in partnership with the office of the Premier launched and established the Intergovernmental Relations structures for disaster management in the Province. District Disaster Management Centres in West Coast, Eden and the City of Cape Town were officially launched during this financial year.

To ensure disaster prevention and mitigation, the Department launched the Basic Education Kit in four primary schools. An investigation in respect of the state of Fire Services in the province was also successfully completed.

The Provincial Disaster Management Centre with the support of a number of directorates within the Department activated the necessary systems and processes to successfully manage the Internally Displaced Persons disaster that occurred in the Western Cape.

2.3 Overview of the service delivery environment for 2008/09

2.3.1 National priorities and challenges

The critical issues that dominate the National agenda are: reducing poverty and addressing the legacies of apartheid spatial planning, ensuring developmental local government, improving inter-governmental relations, managing disasters, and engaging and communicating with communities.

a. Reducing poverty

Poverty remains a daunting challenge for the national and provincial government. There is a pressing need to make decisive advances towards eradicating poverty and underdevelopment. As its contribution in addressing poverty the Department identified a number of key challenges, which include:

- The magnitude of structural poverty and inequality;
- The impoverishment of many communities living in informal settlements and backyards;
- Environmentally, economically and socially unsustainable urban areas perpetuating poverty and exacerbating the divide between the first and second economies;
- The need to ensure sustainability of many of the existing indigent policies at municipal level;
- The lack of capacity of municipalities to respond adequately to the needs of communities, especially the poor and impoverished; and
- The challenges of unemployment, particularly amongst the youth.

To this end the department is engaged in efforts to develop specific programmes and a set of

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interventions to address the above challenges in a sustainable and developmental manner.

b. Facilitating developmental local government

Developmental local government is local government committed to advancing the agenda of a developmental state through working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and to improve the quality of their lives.

The Department identified a number of challenges with respect to facilitating developmental local government in the Western Cape. These included:

- Capacity and skills deficits in municipal councils and management related to leadership ability, strategic and implementation management as well as administrative efficiency;
- On the one hand a lack of capacity to spend budget allocations and on the other serious financial constraints and an increasing demand for services;
- A lack of constructive, meaningful, realistic and focused dialogue with the community;
- Insufficient strategic information and data at provincial level on the priorities, dynamics and challenges facing each individual municipality; and
- Limited understanding of the external environment and economic reality as an informant for resource allocation choices.

c. Redressing apartheid and colonial spacial planning and development

The first decade of democracy saw 1,6 million houses being constructed nationally (of which approximately 193,450 houses were constructed in the Western Cape), translating to some 6 million people housed nationally with access to water, electricity and sanitation. However, houses were still built on land located peripheries of the cities and towns with varying degrees of community facilities.

The shortcomings of the first decade of delivery and its purely quantitatively driven approach, has resulted in a shift in focus for the second decade of democracy: from simply the number of units to the provision of quantitatively, improved living environments through the development of integrated and sustainable human settlements.

The major challenges which faced the Department included (but were not limited to):



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- The *growing housing backlog*, which resulted in a proliferation of informal settlements areas, an increase in backyard housing and overcrowding of existing houses.
- The *lack of well located, suitable and affordable land* for housing remained a constraint to the development of integrated sustainable human settlements.

The development of integrated human settlements requires integrated planning between and within the three spheres of government. In the 2008/09 financial year the Provincial Government of the Western Cape continued to work towards aligning the National Spatial Development Perspective and the Provincial Growth and Development Strategies with the Municipal Integrated Development Plans. IDPs remained a critical tool for participative community based planning to feed into and be integrated with the priorities across all the spheres of government. Ongoing support was provided to municipalities to enable them to develop responsive, credible IDPs. The Department continued paying particular attention to supporting municipalities in the development of Housing Chapters of IDPs in an attempt to strengthen integrated planning.

d. Ensuring strengthening of inter-government relations (IGR)

Much progress was made in attempting to strengthen inter-governmental relations (IGR) at all levels. Challenges still remain particularly relating to communication between directorates, provincial departments, national government and local government which posed constraints to developmental local government and the consequent reduction of poverty.

e. Managing disasters

The thrust of Accelerated Shared Growth Initiative for South Africa (Asgisa) was to provide a comprehensive infrastructure base for South Africa, as this was the foundation for the provision of sustainable basic service delivery and for supporting equitable growth of the economy. Proactive disaster management strongly supports this approach, hence the identification of disaster risks and implementing measures to address these risks were and remain fundamental to protecting basic services and other infrastructure.

The starting point for all disaster management activities was that efforts and funding invested today can prevent human and financial losses that are many times more than the initial resources

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invested. If, for example, a sewage treatment facility is prone to flooding (as occurred in Cederberg) and is not relocated, the loss of that facility has significant health, environmental and financial implications when it is destroyed by flooding.

The proactive side of disaster management was complemented by the responsive side: the Province must have the capability to respond quickly and effectively to disastrous events when they occur. Much of the infrastructure has been put in place to do this, however it will be necessary to gear up provincial capacity to deal with the expected number of visitors during the World Cup 2010.

f. Engaging and communicating with communities

Community liaison and participation was key to the realisation of developmental governance and to the success of delivery. In the past, there has generally been a weakness in meaningful community dialogue and agreed strategies to effectively engage and communicate with communities. To this end the establishment of ward committees, and the community development worker programme brought about significant improvements in meaningful dialogue.

2.3.1 Provincial priorities

The Western Cape Province still faces the challenges of fragile community relations, poverty, unemployment, a growing gap between the rich and the poor, crime, substance abuse, gang violence, child and women abuse as well as climate change.

The Provincial Government has responded with the iKapa Growth and Development Strategy with its lead and second generation strategies, namely:

- The Provincial Spatial Development Framework.
- The Strategic Infrastructure Plan.
- Isidima (Sustainable Human Settlements Strategy) which sets out a number of options for solving the housing backlog, including upgrading informal human settlements, creating more affordable housing choices and ensuring sustainable construction methods and sustainable resource use.
- The Human Capital Development Strategy emphasises preparation of the youth for productive engagement in the economy.
- The Micro-economic Development Strategy recommends a range of public sector interventions to stimulate specific high growth potential sectors.



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- The Poverty Reduction Strategy aims to reduce poverty through interventions such as job creation and giving people access to other social benefits and programmes for vulnerable sectors of society.
- The Social Capital Development Strategy emphasises the building of social capital between individuals and communities.
- The Scarce Skills Strategy focuses on the development of skills to facilitate greater economic participation in the economy especially the youth.
- The Integrated Law Reform Project aims to bring together the different laws that govern planning and environmental and heritage regulation so as to make it simpler to develop land or set up business in a sustainable way.
- The Sustainable Development Implementation Plan encourages biodiversity, effective open space management and better management of settlements by ensuring sustainability of services such as water, waste, energy and land.
- The Climate Change Response Strategy seeks to develop ways of mitigating the effects of climate change.

The Provincial Government realises that it cannot succeed in dealing with the mammoth challenges facing this province without forging partnerships with the social partners of organised business, trade unions and civil society.

The Department of Local Government and Housing was and remains focused on creating an enabling environment at the local level in support of delivery around these priorities guided by the iKapa GDS strategic imperatives.

2.4 Overview of the organisational environment for 2008/09

A key focus for the Department of Local Government and Housing was transforming itself into a learning organisation that is developmentally orientated, motivated, fully equipped and capacitated for effective delivery. An analysis of the institutional context and challenges identified the following key priority areas:

a . Stakeholder Management

An analysis of the institutional context revealed a weakness in the management of its stakeholders.

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The Department's reputation with the stakeholders was and is critical. In this regard a strategy for engagement with stakeholders was and is critical for closing the gap between the stakeholders and the department.

b. Project Management Capability

Project management needed to be strengthened in the Department. In this regard the Department was and is in the process of introducing a project-based approach to executing its operations through inter-directorate project teams. Since this was a new way of doing things, internal capacity building, support and the recruitment of requisite skills will be of paramount importance. In response to the above challenge, a project management unit to coordinate the departmental projects was initiated.

c. Communication

There remained a need to strengthen internal and external communication. The internal communication challenge is evident in the complementary projects that different units were handling as well as in joint visits to municipalities. This was largely be addressed by the inter-directorate project approach outlined in (b) above. With respect to external communication, the Department has revisited its Communications Strategy.

d. Information Management

There are numerous different information management systems within the Department, and many government departments and institutions requests for reports and information. Preserving institutional memory became a priority for the Department, especially in the context of scarce skills and turnover of staff. To address this, the Department continued to develop an information management system, which will be supported by a revised Internet and new Intranet facility. This will be further complemented by a project management information system, which will provide updates on all projects to internal and external stakeholders in the next financial years.

e. Audit Outcomes

In 2008/09, the Department received an unqualified audit outcome.

2.5 Strategic overview and key policy developments for the 2008/09 financial year

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As already alluded to, the Department's main task was to facilitate the creation of sustainable human settlements and to support local government to fulfill its constitutional mandate. To give effect to this, the Department finalised its Human Settlement Strategy and has engaged with the Five Year Strategic Agenda for Local Government. These two key strategic initiatives have informed the day-today work of the Department.

2.6 Departmental revenue, expenditure, and other specific topics

Collection of departmental revenue

The over collection in revenue (budget = R73.5 million) was mainly due to the implementation of the Enhanced Extended Discount Benefit Scheme (EEDBS) and the recovery of previous years' expenditure whereby unutilized subsidies were paid back to the Department. The estimates for own revenue was adjusted over the (MTEF) Medium term expenditure framework to improve its credibility and to be in line with the actual collection of revenue.

All amounts in R'000

2.7 Departmental expenditure

	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/2009 Target	2008/2009 Actual	% deviation from target
Non-tax revenue							
Commission on insurance	33	25	33	43		53	
Other			2	1	30	390	1200
Transfers received			6 500	30	4 500	4 560	1.3
Interest, dividends and rent on land	1 014	1 619	2 530	953	1 500	2 995	99.7
Financial transactions (Recovery of loans and advances)							
Recovery of loans/sale of WCHDB properties	10 218	28 878	25 588	22 770	61 065	66 160	8.3
Recovery previous years' expenditure	27 819	20 203	45 144	62 765	6 405	6 687	4.4
TOTAL DEPARTMENTAL RECEIPTS	39 084	50 725	79 797	86 562	73 500	80 845	10

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All programmes and sub-programmes remained within their approved budgets.

The virements, as indicated in the appropriation statements, were approved and applied to utilise savings under a programme to cover over expenditure on another programme. This was done in terms of section 43 of the Public Finance Management Act (PFMA).

All amounts in R'000

	Voted for 2008/09	Roll overs & adjustments	Virements	Total voted	Actual expenditure	Variance
1. Administration	90 632	818	50 40	96 490	96 490	
2. Housing	1 288 706	162 261	(8 066)	1 442 901	1 442 722	179
3. Local government	71 703	1 694	3 026	76 423	76 423	
4. Theft and loses	0	0	0	0	0	
TOTAL	1 451 041	164 773	0	1 615 814	1 615 635	179

2.8 Transfer Payments

This section provides for funds that have been transferred to other institutions, provinces, municipalities, public entities, business enterprises and individuals and, therefore, does not constitute final expenditure by the department.

The Department complied with section 38(1)(j) of the PFMA which requires the Accounting Officer of the transferring department to ensure that written assurance is obtained from an entity that the entity implements effective, efficient and transparent financial management and internal control systems before transferring any funds to an entity within or outside government, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

The details of all the transfers made by the Department are stipulated in Annexure 1A-H of the Annual Financial Statements.

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2.9 Conditional Grants and earmarked funds

Grants were introduced in 1998/99 to support national priorities, particularly in the social services sector. They enable national priorities to be provided for in the budgets of other spheres of government. They are viewed as part of voted funds.

Name of conditional grant	Budget receipts	Actual receipts	Actual expenditure	Deviation from budgeted to receipts and actual spending	
	R'000	R'000	R'000	R'000	%
Integrated housing & human settlement development grant	1 305 862	1 305 862	1 305 862	-	-
TOTAL	1 305 862	1 305 862	1 305 862	-	-

Included in the above is an earmarked allocation of R354 million for the N2 Gateway project. All transfers were made by the national Department of Housing, as scheduled, into the accredited account of the Provincial Treasury. The conditions as stipulated in Division of Revenue Act (DORA), 2008 were adhered to by the Department.

The conditions of the grant are stipulated in the grant framework as gazetted in DORA, 2008. The actual performance against the grant is indicated under programme 2: Housing under 'Programme performance' below.

2.10 Capital investment, maintenance and asset management plan

2.10.1 Capital Investment

Not applicable

2.10.2 Maintenance

Most rental units, especially flat complexes are needing some rehabilitation (upgrading) over the next three years to the amount of R7 million for upgrading and R3 million for day to day maintenance per year. The Department spent its full allocation of R10 million in the 2008/09 financial year on maintenance and upgrading of the rental stock. The maintenance expenditure is in line with the industry norm and all work to be done is tested on the open market in line with government's procurement policies.

Maintenance and upgrading/rehabilitation are done in accordance with the 3-year maintenance plan.

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2.10.3 Asset Management

The Supply Chain Management (SCM) unit within the Department of Local Government and Housing issues the Department's assets with unique asset numbers for verification, reconciliation and location purposes. The movement on the asset register is disclosed as notes 28 and 29 of the Annual Financial Statements of the Department in Part 4.

The fixed properties of the former Western Cape Housing Development Board are separately disclosed in the financial statements of the Western Cape Housing Development Fund.

2.11 Programme performance

Summary of programmes

A number of sectors have adopted uniform budget and programme structures that reflect the minimum number of programmes. The activities of the Department of Local Government and Housing are organised in the following three programmes:

Programme	Sub-programme
1. Administration	1.1 Office of the MEC 1.2 Corporate Services
2. Housing	2.1 Housing Needs, Research and Planning 2.2 Housing Development Implementation, Planning and Targets 2.3 Housing Asset Management / Property Management
3. Local government	3.1 Local governance 3.2 Development and planning

Programme 1: Administration

Purpose: To provide strategic leadership and management and effective support services in the Department in accordance with all applicable acts and policies.

Programme 2: Housing

Purpose: To plan, facilitate and develop integrated and sustainable human settlements.

Programme 2: Housing					
Sub-programme 2.1: Housing planning and research					
Measurable objective	Performance measure or indicator	Actual Outputs 2007/2008	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
To identify Housing Needs	Housing needs database created		0	0	A planned output for this is March 2011.

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Programme 2: Housing					
Sub-programme 2.1: Housing planning and research					
Measurable objective	Performance measure or indicator	Actual Outputs 2007/2008	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
	Date of producing non metro database	0	June 2008	0	Data received from service provider for 100 000 captures of households (non-metro; backyarders and informal settlements). Decision taken not to proceed with remaining 30 000 captures. Data being cleaned and analyzed as best possible
To conduct housing occupancy study	Date of producing study	0	May 2008	May 2008	Final report submitted 16 Feb 2009 and presented to Department 20 Feb 2009
Research relating to building alternatives e.g. energy usage, building materials, funding bulk infrastructure.	Housing implementation best practices.	0	March 2009	March 2009	
Research into land & property markets in the Western Cape	Valuable research information	0	0	0	Research proposal completed to guide assessment of Department's land release programme. Copies distributed to all municipalities & support rendered for application iro Human Settlement Plans; Refined criteria and identified specific parcels of land suitable for HSD
To compile a housing vulnerability index.	List of high-risk area available.	0	June 2008	June 2008	Vulnerability Index handed over to Directorate: Planning for use in human settlement planning.
To develop policy guidelines, Proclamation of Acts and Amendments.	Number of Acts passed and policy guidelines develop/ and approved.	0	4	2	This indicator was shared with the Local Government Branch: Legislation where deliverable was reported on. However, the Housing branch developed Guideline policy for pilots iro Back yarder programme; M&E framework developed to guide monitoring of pilots; Draft Policy for the registration and selection of beneficiaries for housing; Draft discussion document for low growth towns. Because of duplication in indicators, this indicators performance is also covered by the Isidima policies such as Group accommodation policy; Sustainable

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Programme 2: Housing					
Sub-programme 2.1: Housing planning and research					
Measurable objective	Performance measure or indicator	Actual Outputs 2007/2008	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
					Code; Pilot Backyarders Assistance Policy; and Draft Land Release Policy.
	Date of tabling the re-emergence of informal settlement bill.	0	March 2009	0	National Dept to provide provinces with template to develop legislation pending the outcome of the High Court decision on KZN's provincial legislation in this regard
	Number of Isidima policies.	0	3	3	Group accommodation policy for people with special needs, Sustainability Code (criteria) policy, draft Pilot Backyarders Assistance policy, draft Land Release Policy in place.
To properly plan by October each year	Housing Strategic Development Plan in place.	0	Review and update Housing Plan by October each year.	Plan in place	Compilation of transversal report now responsibility of Corporate Services. Directorate Human Settlement planning will in future only provide input from a planning perspective
To conduct research on demand for housing	Number of research projects conducted and nature of projects.	0	3	4	Indicator duplicated with that of housing demand database. The following research projects has been conducted; Housing Occupancy study; Housing implementation best practices; and list of high-risk area available research.
Providing planning information and guidance for human settlement development.	Date of establishing a Functional GIS Unit.	0	0	GIS unit established in the Third Quarter of 2008/09	GIS provide support to multiple directorates by providing GIS products to ad-hoc queries (over 50).

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Programme 2: Housing					
Sub-programme 2.2: Housing development implementation					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
2.2.1 Financial Intervention					
Individual Housing Subsidies (R0 - R3 500)	Number of properties transferred or mortgage bond registered.	287	250	437	
Housing Finance Linked Individual Subsidies (R3 501 - R7 000)	Number of properties transferred or mortgage bond registered.	0	250	20	This programme is not effective - not attractive to beneficiaries as contribution that they can get is inadequate given the current credit constraints.
Relocation Assistance	Number of relocation subsidies approved and paid including in SITU rightsizing.	100	0	0	No annual target for this indicator. Programme not implemented in the Western Cape.
Enhanced Extended Benefit Scheme.	Number of transfers of ownership registered.	1 001	1 200	1825	
State Asset Maintenance Programme	Number of Maintenance contract concluded and finalized.	2067	0	0	No annual target for this indicator. Only voted funds utilized for the maintenance of rental stock. All rental maintained during the financial year.
Rectification of housing stock pre 1994	Number of Houses rectified	0	750	0	
Rectification of RDP Stock 1994-2002	Number of Houses rectified.	0	1 680	1051	Policy not yet in place, it was anticipated that the policy will be in place when the indicators were developed.
Social and Economic Facilities	Green fields: Number of completed social and economic amenities for each project.	0	6	0	3 Projects are under assessment and approvals are in process.
Accreditation of Municipalities (Operational support)	Number of Accredited Municipalities supported.	0	1	1	City of Cape Town (level 1). Accreditation programmes will only be funded in 2009/10 financial year after the independent assessment of City of Cape Town readiness for accreditation has been carried out.
Accreditation of Municipalities (Level 1 and 2) Programmes to be Approved and Funded	Number of programmes Approved and Funded	0	0	0	No annual target for this indicator.
Operational Capital Budget	Number of National Housing Programmes benefited.	0	All	All	

DEPARTMENT PROGRAMME PERFORMANCE

Programme 2: Housing					
Sub-programme 2.2: Housing development implementation					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
Housing Chapters of IDPs	Process Indicators : Number of municipalities where provincial officials actively participated in and supported housing planning as part of the IDP.	0	6	7	
	Number of Housing Voices identified and resourced.	0	0	0	6 Housing Voices identified, but not funded.
	Number of housing projects in the Housing Chapter of the IDP that provides for social and economic support facilities funded from the National Housing Programme.	0	2	0	Programme for the provision of Social and Economic facilities for this will only be implemented 1 April 2009
2.2.2 Incremental Housing Programmes					
Project Linked Subsidies (current commitment)	Number of serviced sites provided.	2 667	8 500	6159	More sites are serviced under the UISP programme
	Number of Houses Built and delivered to beneficiaries.	7 262	5000	5601	
Integrated Residential Development Programme: Phase 1 Planning and Services	Number of stands serviced and delivered in a proclaimed township. Number of sites for other use.	0	3 500	0	Programme only implemented from the 4th quarter.
Integrated Residential Development Programme: Phase 2 Housing Consolidation.	Number of houses transferred to beneficiaries.	0	1 000	0	Programme only implemented from the 4th quarter (in planning phase).
Peoples Housing Process	Number of approved beneficiaries participating in the project.	2 052	2 000	6150	
	Number of Establishment grants allocated.	0	50	21	The Department took a decision to scale down on number of PHP projects and promote contractor built housing delivery mechanism as it is easier to control and produces better results.
	Number of Facilitation Grants Paid	0	50	19	The Department took a decision to scale down on number of PHP projects and promote contractor built housing delivery mechanism as it is easier to control and produces better results.
	Number of houses completed.	2 052	3022	7039	

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Programme 2: Housing					
Sub-programme 2.2: Housing development implementation					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
Informal Settlement Upgrading	Number of households assisted by Municipality	0	10 000	22 008	Three (3) UISP projects were approved in the 4th quarter. This includes the revision of 2 previous approvals, which make the total number of projects approved for the year, 19 and benefits 22 008 families. This number includes 6848 new sites during 2008/2009 financial year.
	Number of households assisted by Province	0	0	0	Province does not assist directly.
Consolidation Subsidies (current commitments)	Number of completed houses.	2 473	40	21	Existing Project now completed and no new applications received
Emergency Housing Assistance (Current commitments)	Number of households assisted by the specific project.	0	4 000	14 186	The department cannot really plan for the emergencies in order to get correct planned outputs. This indicator refers to Emergency Housing Projects approved excluding Emergency Kits for example; repair to fire damaged houses; and establishment of temporarily relocation areas (TRA).
Emergency Housing Assistance (Planned project)	Number of households assisted.	2 346	1 500	5 714	This indicator refers to number of households assisted with Emergency Kits (based on actual claims).
Social and Rental Housing Programmes.	Number of approved social housing units.	552	0	200	
Institutional Subsidies	Number of households assisted in each project.	0	3	0	Need to use institution to run facility such as special needs project.
Social Housing Operational Support	Number of Housing Institutions supported.	0	0	0	This grant is administered by NDoH. The Department support 3 SHI's but do not provide an operational support grant.
Social Housing: Capital grants for rental housing	Number of beneficiary households assisted.	0	0	0	Indicator was prescribed by National Department of Housing.
Higher density individual ownership	Number of units transferred.	0	0	0	No policy yet for this programme

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Programme 2: Housing					
Sub-programme 2.2: Housing development implementation					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
Community Residential Unit (CRU)	Number of units upgraded	0	500	0	New housing programme, (320 units) conditional approval for Kewtown project approved funds expended only on planning. Programme started late, take time to relocate and decant existing over populated units.
	Number of units converted	0	50	0	
Backyard Rental Programme	Number of beneficiaries assisted	0	0	0	
Rural Housing Programme		59	25	14	Genadendal project completed. The Department is not responsible for this policy any longer.
Farmworker Housing Assistance	Number of households assisted	0	0	0	National prescribed indicator. Programme not yet implemented.
Rural subsidy: Communal Land Rights	Number of households assisted.	0	0	14	National prescribed indicator. Programme not yet implemented.
Other Provincial Strategic Objectives					
To provide assistance and advice to successful claimant beneficiaries as well as claimant communities.	Number of projects for which advice/ assistance is given	0	12	10	Projects are in place and the Department continues to provide assistance to these projects.
To proactively prevent illegal invasions and occupation of former PHDB land	Number of informal settlements/vacant land being managed.	0	22	22	

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Programme 2 Housing					
Sub-programme 2.3 Housing Asset / Property Management Strategic Objectives					
Key Measurable Objective	Performance Measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional Comments
To provide for the transfer of Stock	Number of units transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme.	0	1 200	1 826	
To provide for the Sale and transfer of Rental Stock.	Number of units to be sold and transferred to beneficiaries.	0	50	87	
	Number of units created through land release.	0	500	135	Affordability remains a challenge. Planning processes also delayed implementation.
Retention of State Rental stock.	Number of units to be retained as state rental units.	0	322	552	
Devolution of housing assets.	Number of rental units and properties devolved to municipalities.	0	2	0	Lack of capacity in the particular section and priority of audit actions resulted in the task not being completed. Information from municipality also not clear.
To reduce total outstanding debt.	Amount of debt reduce per financial year (R'000).	0	50 000	49 765	
To reduce the number of debtors.	Number of debtors reduced per financial year.	0	1 200	2 423	
Writing off of old debt.	Number of debtors written off.	0	500	2 072	
Verification of occupancy and rental agreements for financial years 2006-2009 and one year beyond.	Average number of occupants and rental agreements.	0	1800	1 871	
Enhance the lifespan and value of assets through maintenance and upgrading.	Amount spent on maintenance and upgrading (R'000).	0	15 000	12 940	Funds are committed but projects are still in progress.
Improve communications with tenants and debtors through appointment of client liaison manager	Date of appointing a client liaison manager	0	March 09	Client Manager assumed duty on 1 July 08	

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Programme 3: Local Government

Purpose: To promote and facilitate viable and sustainable developmental local governance, to promote integrated and sustainable planning and to enhance community participation in the processes.

Programme 3: Local Government					
Subprogramme 3.1: Local governance					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
3.1.1 Municipal administration					
Monitor and support municipalities to ensure legislative compliance (elections, demarcation, establishment notices).	Number of municipalities functional within legislative framework.	0	30	30	
Assist municipalities to identify essential by-laws to promote good governance	Number of municipalities for which essential by-laws identified.	Essential by-law needs identification target	30	30	List of essential by-laws completed. List was supplemented by list of by-laws required in terms of legislation.
Promulgate essential provincial local government standard by-laws to promote good governance.	Number of Standard by-laws promulgated.	2	1	1	Roles and Responsibilities guidelines completed. Research indicated that terms of reference and policy documents are required in terms of s.53 of Systems Act. By-law no longer required.
Facilitate relevant training in local government legislation to departmental and municipal officials to enhance legislative literacy.	Number of Training workshops held for municipalities and department.	0	2	3	
Promulgate a provincial act on privileges and immunities to promote freedom of speech in council.	Number of Acts promulgated.	0	1	0	Draft 3 of Privileges and Immunities Bill amended. Draft 4 finalised and translated into Afrikaans and Xhosa. Ready for cabinet and advertising for comments.
Rationalise redundant provincial local government legislation and legislation in conflict with Constitution.	Number of Acts promulgated.	0	1	0	Comments received and collated. Rationalisation Bill has been amended. Ready for Cabinet and introduction into Parliament. Further research was required after comments were received. Legislature programme did not allow for introduction of new Bill.
Participate in the review of the Cango Caves Ordinance 5 of 1971 to bring operation of the	Number of Draft Bills completed.	0	1	0	Research required surrounding the management of

DEPARTMENT PROGRAMME PERFORMANCE

Programme 3: Local Government					
Subprogramme 3.1: Local governance					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
Caves in line with current legislation.					Caves is more extensive than anticipated. Further deliberation with management of the Caves is required.
Oversee implementation of national salary and allowance notices to ensure legislative compliance and affordability.	Number of Notices implemented in municipalities.	1 input, 26 municipalities complying	30	30	All outstanding salary increases finalised.
Investigate Councillor Code of Conduct matters to ensure accountability to communities as referred.	Number of municipalities investigated and finalised.	5 Code of Conduct cases in process	3	3	
Establish the facts and determine appropriate corrective action as required to promote good governance as required.	Number of investigations undertaken.	3 Section 139 and 1 section 106	0	0	No formal s.106 investigations. Provided ongoing support in Overberg and Saldanha. Assisted Oudtshoorn with renewed support.
Assess municipalities of their fulfilment of their constitutional obligations as required.	Number of assessments.	0	0	0	
Support municipalities and dplg with implementation of anti-corruption strategy to combat corruption.	Number of Municipalities where Anti-corruption strategy is implemented.	10	9	12	
Facilitate two workshops to promote and raise awareness of good governance.	Number of Provincial workshops facilitated.	3	2	2	In addition, Ethics Management Training was conducted for officials and councillors of the following municipalities: Beaufort West, Laingsburg, Prince Albert and the Central Karoo District Municipality.
Develop policies in accordance with local government anti-corruption strategy to promote good governance.	Number of Policies developed.	0	1	2	Development of Anti-Corruption and Anti-Fraud Policy Framework Guidelines for Local Government in respect of Human Resources and Finances finalized. The policy framework guidelines will be printed in the new financial year.
Undertake investigations in liaison with SIU to determine corrupt activities when required.	Number of Corruption and irregularities investigated and corrective action taken.	Major irregularities acted upon.	0	11	

DEPARTMENT PROGRAMME PERFORMANCE

Programme 3: Local Government					
Subprogramme 3.1: Local governance					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
3.1.2 Community Development and Public Participation					
Conduct & facilitate information sessions for Communities.	Number of work sessions facilitated.	54	200	207	
Facilitate intersectoral partnerships.	Service level agreements with relevant stakeholders.	0	12	10	
Support socio - economic projects in partnership with relevant stakeholders in order to create economic opportunities.	Number of successful projects supported.	0	28	31	
	Number of case studies.	0	140	203	Case studies are the written reports on the experiences of the CDWs in the field.
To mainstream social transformation programme in the departmental programmes.	Number of Social Transformation programmes expressed in the departmental programmes.	0	4	8	
To develop Training Programmes in the 21 social Transformation priority areas.	Number of Training Programmes on community based planning rolled out.	0	4	4	
Providing support to ward committees to ensure effective functioning.	Number of training and capacity building programmes provided for ward committee members.	0	6	8	
Conducting annual assessment on ward committee functionality.	Assessment tool on the functionality of ward committees by the fourth quarter.	0	1	1	
3.1.3 Municipal Capacity Development					
Assess municipal performance on their 5 year LG Agenda.	Number of municipalities assessed per annum.	0	30	30	
Monitor municipal performance on their 5 year LG Agenda.	Number of municipalities monitored per quarter.	0	30	30	
Support municipal performance on their 5 year LG Agenda.	Number of municipalities supported per quarter.	0	10	17	
Support municipalities with the recovery plans in line with legislation.	Number of municipalities supported with recovery plans.	0	1	4	Support provided to the following municipalities: Kannaland, Cederberg, Overberg and Witzenberg
Establish partnership with the relevant Department in the implementation of the 5 year LG Agenda.	Number of Departmental 5 year LG Agenda MoU/partnerships established.	0	2	3	Partnerships established with the Provincial Treasury, AGs office and DEDT

DEPARTMENT PROGRAMME PERFORMANCE

Programme 3: Local Government					
Subprogramme 3.1: Local governance					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
Development of district shared services.	Number of districts with shared services.	4	2	3	Shared services supported in Central Karoo, Eden and West Coast
Provide funding for the implementation of performance management systems at municipalities.	Number of municipalities with Performance management systems in place.	0	30	30	All Municipalities have performance management systems in place.
Providing support to municipalities with the implementation of the Municipal Rates Act.	Number of municipalities supported with implementation of the Municipal Property Rates Act.	3	4	26	
To engage with Provincial Treasury in co-operative planning for support to municipalities.	Number of meetings with Provincial Treasury.	0	4	4	Regular meetings were held with PT
Monitor expenditure patterns in relation to earmarked allocation.	Number of municipalities monitored.	0	3	4	Cederberg, Breede Valley, West Coast District Municipality and Witzenberg were monitored.
	Number of municipalities assessed and supported.	0	4	7	Swellendam; Overberg District; Bergrivier; Oudtshoorn; Cederberg; Matzikama; and Kannaland were assessed and supported
	Number of municipalities supported with training.	0	4	19	

DEPARTMENT PROGRAMME PERFORMANCE

Programme 3: Local government					
Subprogramme 3.2: Development and planning					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
3.2.1 Integrated Development and Planning					
Credible municipal integrated development plans are developed to improve service delivery.	Number of municipalities receiving hands-on support in the drafting and review of credible IDP.	0	10	10	
	Number of municipalities with dedicated IDP responsibility throughout the year.	26	28	25	
	Number of provincial IDP conferences hosted.	0	1	1	IDP Workshop was held on 4 March 2009 with theme of "Poverty and IDP" and key anti-poverty programmes that should be intensified through IDP were identified.
	Number of IDP training events on IDP best practice.	4	3	3	
	Number of IDP document databases with information on 30 municipalities.	0	1	1	Database updated with draft IDP documentation, as received from Municipalities after council decisions.
Support annual provincial-municipal planning and budgeting engagements for improved resource allocation.	Number of municipal reports as inputs to annual engagements between provincial departments and municipalities on strategic priorities and budget implications.	30	30	30	Extensive support was given to follow-up on issues raised during one-on-one engagements between provincial departments and municipalities.
Assess municipal IDP documents in terms of Municipal Systems Act, 32 of 2000 ensuring compliance with legislation and that credible IDPs are produced.	Number of municipal IDP assessment reports.	28	30	30	The 30 IDP Assessment Reports and MEC letters per municipality were signed off by 31 March 2009.
	Number of bi-annual reports on municipal IDP review processes.	Bi-annually	30	60	Bi-annual report on IDP progress and support were submitted to National Provincial Departments of Local Government (January 2009)
	Monitor annual municipal IDP processes.	0	30	30	Report on 30 individual IDP processes developed and checked through individual visits and quarterly IDP Managers engagements.
Improved co-ordination and integration of developmental programmes in the Nodes to ensure inter and intra departmental synergy.	Number of additional integrated projects identified by all 3 spheres of government in the nodes	0	8	8	
Effective functioning of IGR	Number of meetings per	4	1 meeting	4	

DEPARTMENT PROGRAMME PERFORMANCE

Programme 3: Local government					
Subprogramme 3.2: Development and planning					
Measurable objective	Performance measure	Actual Outputs 2007/08	Planned Outputs 2008/09	Actual Outputs 2008/09	Additional comments
3.2.1 Integrated Development and Planning					
structures (District Co-ordinating Forums Provincial Advisory Forum and Provincial Advisory Forum Technical Committee, Speakers Forum).	forum.		per forum		
	At least one best practice initiative is presented at an IGR engagement.	0	4	4	
	Resolutions taken at IGR meetings are implemented.	0	100%	100%	Resolutions emanating from the previous PAF and PAFTECH meetings were fully implemented as per PAF and PAFTECH Action Minutes.
Improve co-ordination and integration between the three spheres.	Number of Provincial Departments participating on IGR structures.	0	12	12	
3.2.2 Disaster management					
To establish integrated institutional capacity within the Province to enable effective implementation of disaster risk management policy and legislation	Number of meetings of the Intergovernmental Disaster Management Structures (IGDMC, (PDMAF, and DMDTC).	0	6	5	
Monitor and support proactive disaster management planning to mitigate the severity of disasters.	Number of new disaster risk and vulnerability assessments monitored.	0	1	2	
Monitoring implementation of preparedness and responsiveness activities to reduce the impact of disaster .	Number of disaster management training, education, marketing and awareness programmes monitored.	0	11	11	Presently municipalities are maintaining the established projects.
	Number of Disaster Management Centres progress reports.	0	4	4	
To oversee the coordination, monitoring and support of the post disaster management recovery function. For effective relief, rehabilitation and reconstruction.	Number of generic disaster contingency plans.	Phase 1 commenced	Phase 1 generic plan	1	
	Number of disaster incident support initiatives.		3	4	
Monitoring compliance of the Fire Brigade Act to reduce the risk and effective response of fires.	Number of Fire Forum meetings.	1	2	2	
	Number of Category of Authorised Persons investigations	10	0	0	Category of Authorised Persons refers to the fire experts appointed by the MEC for Local Government to advise in the state of fire service in the province.



PART 3

AUDIT COMMITTEE REPORT



**PROVINCIAL GOVERNMENT WESTERN CAPE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING (VOTE 8)
AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009**

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2009.

Appointment of Audit Committee

In terms of Cabinet Resolution 55/2007, the Department is served by the Governance & Administration Cluster Audit Committee.

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet at minimum 4 times per annum as per its approved terms of reference. During the year under review 7 meetings were held.

Name	Meetings Attended
Mr P Jones (Chairperson)	6
Mr A Amod	6
Mr Z Hoosain	6
Mr R Kingwill	7
Dr R Lalu	7

Apologies were tendered and accepted for meetings not attended. Quorums were present at all meetings.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

**PROVINCIAL GOVERNMENT WESTERN CAPE
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The effectiveness of internal control

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the internal audit staff of the Provincial Government. The Consortium contract expired on 14 December 2008.

Significant progress was made during the financial year under review to capacitate the shared internal audit function within Provincial Treasury. The transition from a co-sourced internal audit function to an in-house internal audit function, in our assessment, was completed and successful.

In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by the execution of a risk-based internal audit coverage plan for the period under review, as well as a review of corrective actions and suggested enhancements to the controls and processes. The Internal Auditors reported several instances of non-compliance with prescribed policies and procedures. Significant control weaknesses relating to the People's Housing Process (PHP), arising from challenges within the previous National PHP policy, as well as inadequate monitoring of Community Development Workers, were identified by the Internal Auditors. Management has agreed to implement corrective actions. The Committee will monitor the implementation as agreed upon by management.

The Department made good progress in respect of Enterprise Risk Management. The Governance and Administration Cluster Audit Committee is monitoring progress on a quarterly basis.

The Committee previously reported on the growing crisis of Information Technology (IT) within the Provincial Government. The Provincial Shared Audit Committee was presented with a turnaround strategy to address the IT-related risks facing the Province, and is closely monitoring the situation. Until the turn-around strategy has been fully implemented, the risks facing the department will not be mitigated to an acceptable level.

The quality of In-Year-Management and Quarterly Reports submitted in terms of the PFMA

The Audit Committee is satisfied with the content and quality of quarterly In Year Monitoring and Quarterly Performance reports prepared and issued by the Accounting Officer of the Department during the year under review.



**PROVINCIAL GOVERNMENT WESTERN CAPE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING (VOTE 8)
AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009**

Evaluation of Financial Statements

The Audit 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; and
- reviewed significant adjustments resulting from the audit.

The Audit 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.

Appreciation

The Audit Committee wishes to express its appreciation to the Officials of the Department, Provincial Treasury, the Auditor-General and the Internal Audit Unit for the information they have provided to compile this report.



Mr. P.C. Jones

Chairperson of the Governance and Administration Cluster Audit Committee


Date: 10 September 2009



PART 4

DEPARTMENT OF LOCAL
GOVERNMENT AND HOUSING

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009



**WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009**

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**WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**



Report by the Accounting Officer to the Executive Authority and the Members of the Provincial Parliament of the Western Cape.

1. General review of the state of financial affairs

The mandate of the Department of Local Government and Housing is to build and strengthen the ability of municipalities to implement their constitutional mandate and to enable sustainable development and service delivery. In carrying out this mandate the Department is guided by the provisions of the Five Year Local Government Strategic Agenda (5-year LGSA).

During the financial year 2008/09 the Department made significant progress in mainstreaming the 5-year LGSA through a number of processes. For example the Department's capacity-building support to municipalities is informed by the 5-year LGSA and by the three key performance areas for which the Department is responsible, namely institutional transformation, service delivery, and good governance and public participation.


The key challenge is ensuring that relevant sector departments begin to mainstream their roles and responsibilities in respect of the 5-year LGSA within their strategic plans. The Department intends to drive this process during the next year and is thus facilitating the establishment of partnerships with relevant departments. The Department in conjunction with the Department of the Premier has established a provincial government reporting team to provide data in respect of sector department interventions. The first bi-annual report was submitted in April 2008. Data is also being collected and collated via a "Municipal Snapshot" and a range of other tools in line with the 5-year LGSA.

The basis for providing targeted support is knowledge of the capacity needs of municipalities. During 2008/09, the Department developed a Capacity-building Strategy and District Support Plans for every District. The Department is in the process of conducting roadshows with municipalities to confirm the priorities identified in the Support Plans.

In addition, the Department has provided intensive support to municipalities who's IDPs did not meet the "credibility" criteria identified by the Department. On-going support was provided to all 30 municipalities in ensuring the linkages between IDP priorities and municipal budgets. For example, face-to-face engagements were held through the Province's "LGMTEC 3" process in April/May 2008. In addition, the Department of Local Government and Housing met with municipal IDP managers through IDP Manager Forums in each of the five districts to monitor progress and offer guidance on IDP review processes.

Community Development Workers have continued to play an invaluable role in facilitating people's access to government services. They have been actively involved in facilitating workshops together with relevant government departments, including workshops on HIV/AIDS, co-operatives,





WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8 REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2009

entrepreneurial skills, violence against women and children, fire awareness, and empowering farmwomen. They have also assisted in establishing youth forums, provided career guidance, established community development projects, and helped over 30,000 people apply for ID documents.

The Western Cape encounters unique challenges with regard to disasters and fires, particularly given the shifting realities of climate change. The Department of Local Government and Housing is mindful that the province is likely to have severe flood and fire disasters/emergencies annually. Given this reality, the Department has been proactive in ensuring that all Municipal Disaster Management Centres conducted detailed Risk and Vulnerability Assessments.

As the cornerstone of our preparedness and coordination efforts, the Disaster Management Centre launched its intergovernmental relations structures on 1 April 2008. The purpose of these structures is to ensure that the political as well as technical/administrative activities and policies are aligned for proper implementation of the Disaster Management Act.

The working relationship between Provincial Ambulance Services, Provincial Traffic, Disaster Management, Department of Community Safety, Social Development and especially municipalities was evident in the effective coordination and management of recent major incidents such as the xenophobic violence (May 2008) and flooding incidents (July and November 2008).

The Department of Local Government and Housing, in consultation with all the key stakeholders and partners, has developed the Isidima strategy which provides a roadmap for the creation of dignified communities through integrated quality human settlements. The Department is committed to accelerating delivery, while promoting social cohesion through the development of sustainable human settlement.

Human settlement development is a poverty alleviation tool, which enables the creation of employment opportunities while creating assets for citizens through housing, thus ultimately promoting social cohesion and leveraging economic growth.

Sustainable human settlements must take into account physical and social health, opportunities for access to the economy, environmental suitability, legal and security concerns etc. Therefore the types of human settlement must amongst other things comprise of the following aspects:

- Well-managed residential areas
- A growing economy
- Accessible and available social and economic facilities
- Accessible to job opportunities
- Accessible transport facilities
- Growth of asset values

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The Province is currently confronted with a pressing need for thorough, coherent spatial planning that will underpin the various components of the iKapa Growth and Development Strategy and its supporting strategies, especially the Provincial Spatial Development Framework (PSDF), Isidima -the Sustainable Human Settlements Strategy, and the Strategic Infrastructure Plan.


The PSDF and Isidima seek to reduce commuter time, promote mixed-use, integrated developments, and promote economic growth opportunities. In short, provincial policies have a spatial dimension and will be fundamentally compromised if they are based upon poorly conceptualised municipal spatial development frameworks and human settlement plans. To address these needs in a more focused way, the Built Environment Support Programme has been initiated. This programme sets out to transform apartheid planning patterns and restructure urban areas by supporting the revision of Municipal Spatial Development Frameworks and 5-year Human Settlement Plans and capacitating municipalities to carry out their planning and delivery functions. This would be underpinned by a focused policy and research agenda that would inform planning of integrated sustainable human settlements in future.

In an effort to achieve a better understanding of the demand, the National Department of Housing with the support of the Department of Local Government and Housing has embarked on a process to determine the housing demand in the Western Cape. This process was launched during 2006 in the Metropolitan area of Cape Town. Building on the lessons learnt from this process, the initiative was intensified and extended to the rest of the Province. Information for the second phase should be available later in 2009. Municipalities are also involved in ensuring that this process would be sustained in future so that the information could be utilised for their planning processes and integrated development plan updates.

The housing demand is considered in terms of the extent to which existing dwellings satisfactorily support the occupants - thus inhabitants of informal settlements, overcrowded conditions and backyard shacks are taken into account when estimating the backlog. Similarly, 2001 census data likewise informs estimates of housing needs in so far as calculations are based on those earning within or under the existing subsidy bands. Furthermore, information regarding the tenure status is likewise considered and therefore rented accommodation (both privately-owned and public stock that is rented) is also taken into account. In response to the housing demand, the supply side of housing is considered in terms of the budgeted amounts for the different municipalities and the extent to which these institutions have been able to absorb and disburse their housing budget effectively.

Building strong municipalities

A central thrust of our local government programme is improving the capacity of municipalities. We have launched support initiatives to improve the performance management systems in municipalities, to fully implement the Municipal Property Rates Act, and to improve even further



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the quality of Integrated Development Plans (IDPs). We are proud that 28 out of 30 municipal IDPs were assessed as “credible” during the latest round of assessments, with 4 of these being assessed as “excellent”.

In some cases more intensive support has been provided where municipalities have encountered significant financial or management difficulties, as in Kannaland, Witzenberg, Cederberg, Oudtshoorn, and Overberg District, dedicated teams have interacted with the municipalities and developed and implemented support measures.

We have also placed great emphasis on good governance in municipalities. We have provided training to officials and councillors on the issues of ethics management and good governance. Recognising that fraud prevention is the most effective way to combat corruption, the Department developed Anti-Fraud Guidelines for Local Government in respect of Human Resources and Finance, which will be a resource for municipalities throughout South Africa. We also assisted municipalities to develop and implement anti-corruption strategies.

The Department also responded effectively to reports of housing subsidy fraud. We have a strong partnership with the Special Investigating Unit (SIU), which resulted in 12 court matters being finalised, four investigations into fraud in People’s Housing Process projects being completed and some funds being recovered.

Dignified Human Settlements

We have continued with our housing delivery to meet our housing targets, with 15,717 houses completed and 15,297 serviced sites delivered over the past financial year. In order to ensure that our human settlements are integrated and sustainable, we developed “sustainability criteria” that now form the basis for project planning and approvals.

The Department does not only build formal houses, but also focuses on ensuring that all communities have access to basic services and live in dignified circumstances. This may involve the provision of water, sanitation, and/or storm water drainage, depending on the circumstances of the informal settlement. We have made a significant contribution in this regard over the past year. The Upgrading of Informal Settlements Programme (UISP) approved 19 projects that benefited over 22,000 households during 2008/09. The Emergency Housing Programme also contributed through 25 projects, which altogether benefited over 14,000 households.

In order to ensure that our support is targeted at the most vulnerable communities, the Housing Research and Policy unit finalised a “vulnerability index” that identifies the informal settlements that most urgently require new or additional basic services. The unit also launched a pilot programme to provide rental accommodation for people living in backyard dwellings.

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We are also proud of our lesser-known programmes, such as the Enhanced Extended Discount Benefit Scheme (EEDBS). Through this programme, the Department was able to transfer 1 826 housing units to beneficiaries who had been renting the units for many years, thereby transforming tenants into homeowners.


Empowered Communities

Our Community Development Workers have continued to work tirelessly in communities. They held more than 200 information sessions with communities on a wide variety of issues (from economic opportunities to food gardening), supported development projects, and provided information on government services (such as pensions) to countless individuals. A review of the programme has revealed that communities have come to depend on CDWs for referrals to government services and programme.

General view on spending for the financial year

	2008/09	2007/08
	R'000	R'000
Final appropriation		
Total	1 615 814	1 431 861
Administration	96 490	78 986
Housing	1 442 901	1 276 237
Local government	76 423	76 638
Underspending		
Total	179	78 028
Administration	-	-
Housing	179	73 931
Local government	-	4 097

All programmes and sub-programmes remained within their approved budgets. The reasons for the under spending are discussed under 'Notes to the appropriation statement'. The virements as indicated in the appropriation statements were approved and applied to utilise savings under a main division to cover over expenditure on another main division. This was done in terms of Section 43 of the PFMA.



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2. Service rendered by the department

2.1 Free Services

No free services were rendered during the year under review.

2.2 Inventory

Two types of inventory are generated by LOGIS. The one consists of an inventory of store items (RR026 LOGIS report), the other inventory of furniture and equipment (RR025 LOGIS report). The value of the inventory of store items as at 31 March 2009 amounted to R650 796. The value of the inventories was valued at weighted average price. Inventories are issued on the first in first out (FIFO) basis.

3. Capacity constraints

Another strategic goal of the Department as stated in the Annual Performance Plan for 2007/08 is to establish a well functioning transformed department capacitated to deliver. This strategic goal was confirmed as a priority in 2008/09:

Strategy


A department that is adequately staffed, skilled and motivated to deliver on its mandate. This includes:

- Continuous adjustments to the organisation of the department to meet its mandate
- Developing a team based approach to projects
- Applying recruitment, retention, selection, training and career development processes that are in line with legislative imperatives and departmental objectives
- Becoming a learning organisation with strategic planning and management competence.

Key focus areas

- Improved work flow processes
- Team work based on professionalism, willingness, tolerance and commitment
- Information, architecture and systems
- Human Resource Development plans focussed on career development and service delivery.
- Performance monitoring
- Performance management

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Targeted outputs over the medium term

- All posts filled with competent and motivated staff
- A departmental performance monitoring system in place
- A performance management system implemented at all levels of the organisation
- Skills development strategy in place and being operationalised
- Social capital strategy implemented to effect changes to the organisational culture within the Department
- An inter-directorate team-based approach to projects
- The culture of the department transformed in line with Batho Pele values and principles
- Public Finance Management Act (PFMA) and Division of Revenue Act (DORA) compliance
- 100% of budget efficiently and effectively spent each year.
- Work flow processes reviewed and improved to include service level agreements within the Department.

The Department is currently realigning its establishment for improved delivery on its mandate. Phase 1 was implemented in 2007/08. Provision was also made in the 2008/09 budget for implementing phase 2 and 3 of the proposed re-aligned structure. The Provincial Cabinet approved 44 additional posts on 18 March 2009 to be implemented during 2009/10.


4. Utilisation of donor funds

No donor funds were received or utilised by the Department. However, donations to the value of R4 560 000 were received during the year. (Refer to Annexure 1G).

5. Trading entities and public entities

The Western Cape Housing Development Board (WCHDB) was abolished in October 2005. The Western Cape Housing Development Fund (WCHDF) was dormant during the 2008/09 financial year. All expenditure relating to assets was expensed under programme 2: Housing. The income derived from the WCHDB assets and debtors was accounted as departmental revenue and subsequently paid over to the Provincial Revenue Fund. All transactions iro the WCHDF are regarded as related party transactions.

The financial statements of the Western Cape Housing Development Fund will be tabled in a separate report to the Provincial Parliament.



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The Department also contracted Thubelisha Homes (National Public Entity) to manage and develop the N2 Gateway and other housing projects. Refer to Disclosure note 25 of the financial statements.

6. Organisations to whom transfer payments have been made

All transfer payments and the purpose for the payments made are reported in Annexure 1B - 1F of the Notes to the Annual Financial Statements.

“Accountability arrangements in place over each transfer payment made” are stipulated in the individual agreements to the entities receiving the transfer payments.

7. Public private partnerships (PPP)

The Department did not enter into any PPP during the year under review.

8. Corporate governance arrangements

The internal audit function is performed by the Provincial Treasury.


The Department formally adopted an Anti-fraud and Corruption Strategy comprising the following:

- The Fraud and Corruption Policy
- The Fraud and Corruption Prevention Plan
- The Fraud Response Plan
- The Fraud Risk Register
- Code of Conduct

The Departmental Anti-Fraud and Corruption Strategy, which is the first of its kind for the Western Cape provincial government was formally launched on 13 May 2008. All staff of the Department was made aware of this through structured awareness sessions presented by an external service provider. A strategic risk assessment was done as a platform and foundation to be used by the Department of Local Government and Housing in identifying and controlling the business risks of the Department. The establishment of a Fraud and Risk Management Committee will assist the Accounting Officer to create a strong culture in the Department to fight fraud and corruption which undercuts service delivery and threatens our sense of justice.

Through excellent co-operation between the Department, the Special Investigating Unit and the Forensic Investigative Unit of the Department of the Premier, we are also making great progress in the investigation of alleged corruption and the recovery of losses which occurred in the past. Government employees who fraudulently received housing subsidies are signing acknowledgements

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REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2009**



of debt and additional cases are to be brought before the court in the upcoming months. These actions are vital for us to restore the integrity of our public service and programmes.

The shared audit committee and the Internal audit unit of the governance and administration cluster have been functional since the 2004/05 financial year. The Report of the Audit Committee is incorporated as Part 3 in the Annual Report of the Department.

The department has implemented a system to manage the conflicts of interest of employees by ensuring that all SMS members and all members of Bid committees are compelled to declare their conflict of interest annually.

9. Discontinued activities/activities to be discontinued

No activities were discontinued or are to be discontinued.

10. New/proposed activities

None

11. Asset management

The Supply Chain Management (SCM) unit within the Department of Local Government and Housing allocates the Department's assets with unique asset numbers for verification, reconciliation and location purposes.

The fixed properties of the ex Western Cape Housing Development Board are separately disclosed in the financial statements of the Western Cape Housing Development Fund.

12. Events after the reporting date

No conditions/events, both favourable and unfavourable, existed at year-end. No events occurred between 31 March 2009 and the date of approval of the financial statements that necessitated adjusting the financial statements as on 31 March 2009.

13. Performance information

The Department identified its shortcoming on reliable/verifiable performance information. The Internal audit unit performed an audit on the processes for the quarterly reports and made recommendations which the Department implemented during the year. Round table discussions are held every quarter whereby all performance information are interrogated and validated.

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All data sources are indicated as well. Apart from the quarterly reports, all managers report monthly on their targets to their respective branch heads.

14. SCOPA resolutions

Auditor-General report on the 2007/08 annual financial statements

Reference to previous audit report and SCOPA resolutions	Subject Other matters	Findings on progress
<p>This shortcoming was highlighted in the AGSA's reports for 2006/07 and 2007/08. (There were no specific SCOPA resolutions for the Department for the past three years.)</p>	<p>Invoices not paid within 30 days</p>	<p>The following control measures have been implemented with effect as from 1 September 2008 to minimise the risk of re-occurrence of this non-compliance.</p> <p>Contracts or agreements will be amended that claims will only be settled within 30 days upon certification of completion on the percentage of work performed by contractors and not within 30 days from receipt of an invoice.</p> <p>Account statements from suppliers will be obtained regularly to reconcile all invoices received in order to determine any outstanding invoices and in order to obtain it as soon as possible.</p> <p>Directorates within the Department will identify a responsible person and drop-off point for invoices/statements and inform their suppliers of this arrangement.</p> <p>All invoices received will be date stamped once received and a system must be implemented by way of a register per directorate to monitor that payment occurs within 30 days.</p>
		<p>Physical monitoring and checking of payment registers will be performed by Internal Control at the sub-directorates: Accounting Services and Supply Chain Management on a weekly basis.</p> <p>Payments not made within the prescribed 30 days, but for reasons beyond the control of the Department must have a memo attached stating valid reasons for the delayed payment.</p> <p>Disciplinary action is being instituted against frequent</p>

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Reference to previous audit report and SCOPA resolutions	Subject Other matters	Findings on progress
		transgressors. A circular in this regard was issued on 26 August 2008 to all the officials dealing with payments.
Regular meetings to follow up on the progress of the findings of the Auditor-General were convened throughout the year. These meetings and progress reports were conducted by our Internal Control component involving senior officials. The progress reports were submitted to the Accounting Officer and Provincial Treasury.		

15. Prior modifications to audit process

None.

16. Exemptions and deviations received from the National Treasury

The Department did not apply or receive any exemptions from the PFMA or National Treasury Regulations or deviations from the National Treasury from financial reporting requirements for the previous and current financial years.


17. Investigations

On 25 April 2007, the State President issued a Proclamation empowering the Special Investigating Unit to conduct an investigation into low cost housing for the purpose of recovery of any losses suffered by Institutions for the period 1994 to 25 April 2007. The objectives of these investigations are, amongst others, to identify the corrupted areas, to bring the transgressors to book and recover the monies, but more importantly to enable the projects to continue in order to provide housing to the participants. In terms of the afore-mentioned Presidential Proclamation the Special Investigating Unit was requested to investigate:

- Findings of the Auditor-General Report for 2005/06 on the approval and allocation of housing subsidies at provincial departments in respect of government employees;
- Findings of the Auditor-General Report for May 2008 on the allocation of housing subsidies to municipal employees by provincial departments.
- 15 Peoples Housing Process Projects

The investigation process is currently progressing well due to excellent co-operation between the Department and the Special Investigating Unit.

- For the category “subsidy approvals to government employees earning salaries in excess of the housing subsidy threshold in the Auditor-General Report for 2005/06”, 159 acknowledgements of debt to the value of R1,982,182 were signed and 46 criminal convictions were given by the Courts for the period April 2008 to end of March 2009.



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- For the allocation of housing subsidies to municipal employees by provincial departments, all available subsidy application forms were retrieved by the department and handed over to the SIU. The SIU have obtained a bulk of salary information from the municipalities for which the persons are working that allegedly received an irregular housing subsidy. The screening by the SIU of the application forms against the salary information is in progress.
- With regard to the investigation into the Peoples Housing Process Projects (PHP), the investigation into five projects, were finalised. Only one investigation report was received within the financial year. The systemic recommendations are being attended to. The investigation into the remaining PHP projects is in different stages.

It should further be noted that matters referred to the SIU for investigation in terms of Proclamation 7 of 2007 and the co-operative agreement between the Department and the SIU, was monitored through:

- A monthly Housing Proclamation Steering Committee
- A monthly Departmental/SIU Steering Committee
- Quarterly Progress Reports devised by the SIU, as well as the
- The Joint Steering Committee consisting of representatives of the National Department of Housing, all provinces and the national office of the Special Investigating Unit.

Over and above low cost housing related investigations, allegations of mismanagement were investigated at two municipalities and reports received.

The department entered into a new Memorandum of Agreement with the Special Investigating Unit which commenced on 1 May 2008 for a period of three years and will terminate on 30 April 2011. From the date of the previous agreement with the Special Investigating Unit entered into in 2005 and the new agreement that commenced on 1 May 2008, the Directorate Legislation within the Department is the nodal point for referring matters to the SIU. All issues, whether it is local government related or housing are being channeled through this Directorate. The reasoning behind the decision to use one Directorate as a nodal point was to ensure that proper control and monitoring is exercised over matters referred to the SIU in terms of the agreement.

An amount of R38,760,958 was paid to complete previously blocked housing projects and according to the Auditor-General there could be an element of fruitless and wasteful expenditure in this amount. This aspect will be investigated by the Department.

18. Approval

The Annual Financial Statements set out on pages 64 to 113 have been approved by the acting Accounting Officer.



D. P. Daniels
Accounting Officer
Date: 14 August 2009

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2009

**Report of the Auditor-General to the Western Cape Provincial
Parliament on the financial statements and performance information
of vote 8: Western Cape Department of Local Government and
Housing for the year ended 31 March 2009**

Report on the financial statements

Introduction


1. I have audited the accompanying financial statements of the Western Cape Department of Local Government and Housing which comprise the appropriation statement, statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 64 to 113.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act (Act No. 2 of 2008) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the



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financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Local Government and Housing as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

Emphasis of matters

Without qualifying my opinion, I draw attention to the following matter:

Basis of accounting

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

Blocked housing projects

9. As indicated in paragraph 17 on page 57 of the accounting officer's report, the department will investigate whether any fruitless and wasteful expenditure was incurred in the payments to complete the previously blocked housing projects.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Unaudited supplementary schedules

10. The supplementary information set out on Annexure 1B: Statement of unconditional grants and transfers to municipalities includes a column of amounts spent by the municipality. I have not audited this amount and accordingly I do not express an opinion thereon.

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Governance framework

11. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

12. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information	<input type="checkbox"/>	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	<input type="checkbox"/>	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines, as set out in section 40 of the PFMA.	<input type="checkbox"/>	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	<input type="checkbox"/>	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The department had an audit committee in operation throughout the financial year.	<input type="checkbox"/>	
	• The audit committee operates in accordance with approved, written terms of reference.	<input type="checkbox"/>	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	<input type="checkbox"/>	
7.	Internal audit		
	• The department had an internal audit function in operation throughout the financial year.	<input type="checkbox"/>	

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No.	Matter	Y	N
	<ul style="list-style-type: none"> • The internal audit function operates in terms of an approved internal audit plan. • The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2. 	<input type="checkbox"/>	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	<input type="checkbox"/>	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	<input type="checkbox"/>	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	<input type="checkbox"/>	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.	<input type="checkbox"/>	
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	<input type="checkbox"/>	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	<input type="checkbox"/>	
14.	SCOPA resolutions have been substantially implemented.	<input type="checkbox"/>	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	<input type="checkbox"/>	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		<input type="checkbox"/>
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Western Cape Department of Local Government and Housing against its mandate, predetermined objectives, outputs, indicators and targets as set out in Treasury Regulations 5.1, 5.2 and 6.1.	<input type="checkbox"/>	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	<input type="checkbox"/>	

13. The material misstatements identified and corrected on the financial statements mainly results from a lack of control activities selected and developed to mitigate the risk over financial reporting as well as appropriate internal control activities not being identified in a timely manner to allow for corrective actions to be taken.

Investigations

14. Forensic investigations are being performed by the provincial forensic investigative unit to probe irregularities in respect of two cases of alleged procurement fraud.
15. At the date of this report, the Special Investigating Unit was still investigating various cases of alleged irregularities. Additional detail is disclosed in paragraph 17 on page 56 of the accounting officer's report.

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Late finalisation of audit report

16. In terms of section 40(2) of the PFMA, I am required to submit my report to the accounting officer within two months of the receipt of the financial statements. Due to internal processes to ensure that quality standards are maintained as well as the late resolution of audit findings and final adjustments that had to be made to the financial statements, I have delayed the finalisation of my report, although the financial statements were received by 31 May 2009.

Report on other legal and regulatory requirements

Report on performance information

17. I have reviewed the performance information as set out on pages 11 - 39.

The accounting officer's responsibility for the performance information

18. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

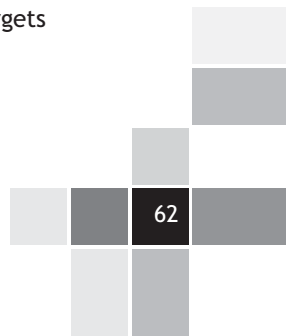
The Auditor-General's responsibility


19. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.
20. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
21. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the review findings reported below.

Findings on performance information

Usefulness and reliability of reported performance information

22. The following criteria were used to assess the usefulness and reliability of the information on the department's performance with respect to the objectives in its annual performance plan:
 - **Consistency:** Has the department reported on its performance with regard to its objectives, indicators and targets in its approved annual performance plan?
 - **Relevance:** Is the performance information as reflected in the indicators and targets





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clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?

- **Reliability:** Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following review findings relate to the above criteria:

Reliability of reported performance information

23. The evidence provided to support the performance information as reported in the draft annual report was in a number of instances materially inconsistent with the reported performance information. This has subsequently been adjusted in the annual report.

Other reports

Performance audits

24. A transversal performance audit was undertaken and finalised during the year under review relating to entities that are connected with government employees doing business with departments of the Western Cape Provincial Administration (PR249/2008).
25. A transversal performance audit is currently being conducted concerning the use of consultants by the department. A separate report will be issued in this regard, within three (3) months.

Appreciation

26. The assistance rendered by the staff of the Western Cape Department of Local Government and Housing during the audit is sincerely appreciated.

Auditor - General


Cape Town
31 August 2009



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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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 2008.

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.



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2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the Disclosure notes to the Annual Financial Statements.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.


2.2.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

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2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.2.7 Transfers received (including gifts, donations and sponsorships)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the Disclosure notes to the Financial Statements. All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the Statement of Financial Performance when the cash is received. All direct exchequer payments are recognised in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.4 Aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the Annexures to the Annual Financial Statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.



WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8 ACCOUNTING POLICIES for the year ended 31 March 2009

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as current or capital expenditure in the Statement of Financial Performance.

Inappropriately expensed amounts using CARA funds and any unutilised amounts are recognised as payables in the Statement of Financial Position.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹.

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or Position.


3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of 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 Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

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3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

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

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or Position.

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 services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

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 underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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



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3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the Statement of Financial Position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.8 Irregular expenditure

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

3.9 Expenditure for capital assets

Payments made for capital assets 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).

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

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.

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4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made.

Pre-payments 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.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus any accrued interest.

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the Statement of Financial Performance when the cash is received.

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


4.6 Loans

Loans are recognised in the Statement of Financial Position at the nominal amount when payment made to the beneficiary. Loan balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the Disclosure notes.

Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the Notes.



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4.8 Capital assets

4.8.1 Movable assets

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.

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as “expenditure for capital asset” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the Statement of Financial Performance.

4.8.2 Immovable assets

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.

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 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

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5.3 Direct Exchequer receipts to be surrendered to the Revenue Fund

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

Amounts received must be surrendered to the relevant revenue fund on receipt thereof. Any amount not surrendered at year end is reflected as a current payable in the Statement of Financial Position.

5.4 Bank overdraft

The bank overdraft is carried in the Statement of Financial Position at cost.

5.5 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

5.6 Contingent liabilities

Contingent liabilities are included in the Disclosure notes to the Financial Statements.

5.7 Commitments


Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure notes.

5.8 Accruals

Accruals are not recognised in the Statement of Financial Position as a liability or as expenditure in the Statement of Financial Performance but are included in the Disclosure notes.

5.9 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the Disclosure notes to the Financial Statements. These amounts are not recognised in the Statement of Financial Performance or the Statement of Financial Position.



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5.10 Lease commitments

5.10.1 Finance leases

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 split between the capital and the interest portions. The finance lease liability is included in the Disclosure notes to the Financial Statements.

5.10.2 Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are included in the Disclosure notes to the Financial Statements.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the Disclosure notes to the Annual Financial Statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

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.

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.

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APPROPRIATION STATEMENT
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Appropriation per programme									
Programmes	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual
	R000	R000	R000	R000	R000	R000	%	R000	R000
1. Administration									
Current payment	87,618	(1,625)	4,967	90,960	90,960	-	100.0	73,511	73,511
Transfers and subsidies	2,220	-	(733)	1,487	1,487	-	100.0	2,297	2,297
Payment for capital assets	1,612	1,625	806	4,043	4,043	-	100.0	3,178	3,178
2. Housing									
Current payment	124,387	(2,310)	(8,517)	113,560	113,381	179	99.8	89,926	88,976
Transfers and subsidies	1,325,975	2,310	733	1,329,018	1,329,018	-	100.0	1,194,614	1,121,732
Payment for capital assets	605	-	(282)	323	323	-	100.0	341	242
3. Local Government									
Current payment	61,483	(1,244)	3,550	63,789	63,789	-	100.0	55,883	52,183
Transfers and subsidies	10,844	1,244	-	12,088	12,088	-	100.0	10,434	10,037
Payment for capital assets	1,070	-	(524)	546	546	-	100.0	1,677	1,677
Total	1,615,814	-	-	1,615,814	1,615,635	179	100.0	1,431,861	1,353,833
Reconciliation with Statement of Financial Performance Add:									
Departmental receipts				7,345				36,562	
Actual amounts per Statement of Financial Performance (Total Revenue)				1,623,159				1,468,423	
Actual amounts per Statement of Financial Performance Expenditure					1,615,635				1,353,833

Appropriation per Economic classification									
Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual
	R000	R000	R000	R000	R000	R000	%	R000	R000
Current payments									
Compensation of employees	138,543	-	4,102	142,645	142,645	-	100.0	110,481	110,481
Goods and services	134,545	(5,178)	(4,102)	125,265	125,086	179	99.9	108,471	103,821
Interest and rent on land	-	69	-	69	69	-	100.0	-	-
Financial transactions in assets and liabilities	400	(70)	-	330	330	-	100.0	368	368
Transfers & subsidies									
Provinces & municipalities	29,894	(3,497)	-	26,397	26,397	-	100.0	26,351	24,581
Departmental agencies & accounts	150	125	-	275	275	-	100.0	1,040	1,040
Universities & technikons	1,500	-	-	1,500	1,500	-	100.0	-	-
Non-profit institutions	925	(650)	-	275	275	-	100.0	625	625
Households	1,306,570	6,908	-	1,313,478	1,313,478	-	100.0	1,179,329	1,107,820
Gifts and donations	-	668	-	668	668	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	3,287	1,525	-	4,812	4,812	-	100.0	5,151	5,052
Software & other intangible assets	-	100	-	100	100	-	100.0	45	45
Total	1,615,814	-	-	1,615,814	1,615,635	179	100.0	1,431,861	1,353,833

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2009

Detail per programme 1 - Administration
(for the year ended 31 March 2009)

Details per Sub-Programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	5,317	-	60	5,377	5,377	-	100.0	5,024	5,024
Transfers and subsidies	-	1	-	1	1	-	100.0	-	-
Payment for capital assets	10	17	-	27	27	-	100.0	109	109
1.2 Corporate Services									
Current payment	82,301	(1,625)	4,907	85,583	85,583	-	100.0	68,487	68,487
Transfers and subsidies	2,220	(1)	(733)	1,486	1,486	-	100.0	2,297	2,297
Payment for capital assets	1,602	1,608	806	4,016	4,016	-	100.0	3,069	3,069
Total	91,450	-	5,040	96,490	96,490	-	100.0	78,986	78,986

Programme 1 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	41 751	-	6 770	48 521	48 521	-	100.0	35 768	35 768
Goods and services	45 467	(1 563)	(1 803)	42 101	42 101	-	100.0	37 375	37 375
Interest and rent on land	-	8	-	8	8	-	100.0	-	-
Financial transactions in assets and liabilities	400	(70)	-	330	330	-	100.0	368	368
Transfers & subsidies									
Non-profit institutions	200	-	(200)	-	-	-	-	200	200
Households	2 020	(382)	(533)	1 105	1 105	-	100.0	2 097	2 097
Gifts and donations	-	382	-	382	382	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	1 612	1 525	806	3 943	3 943	-	100.0	3 161	3 161
Software & other intangible assets	-	100	-	100	100	-	100.0	17	17
Total	91 450	-	5 040	96 490	96 490	-	100.0	78 986	78 986

**WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2009**

**Detail per programme 2 - Housing
(for the year ended 31 March 2009)**

Details per sub-programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Housing Needs, Research and Planning									
Current payment	22,333	(1,243)	(7,081)	14,009	13,830	179	98.7	10,846	10,846
Transfers and subsidies	1,550	(46)	-	1,504	1,504	-	100.0	100	100
Payment for capital assets	390	-	(182)	208	208	-	100.0	173	74
2.2 Housing Development, Implementation, Planning and Targets									
Current payment	78,402	63	-	78,465	78,465	-	100.0	62,584	61,668
Transfers and subsidies	1,229,425	26,834	733	1,256,992	1,256,992	-	100.0	1,147,825	1,082,921
Payment for capital assets	215	-	(100)	115	115	-	100.0	168	168
2.3 Housing Asset Management/ Property Management									
Current payment	23,652	(1,130)	(1,436)	21,086	21,086	-	100.0	16,496	16,462
Transfers and subsidies	95,000	(24,478)	-	70,522	70,522	-	100.0	46,689	38,711
Total	1 450 967	-	(8 066)	1 442 901	1 442 722	179	100.0	1,284,881	1,210,950

Programme 2 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	53,594	-	(5,868)	47,726	47,726	-	100.0	40,600	40,600
Goods and services	70,793	(2,316)	(2,649)	65,828	65,649	179	99.7	49,326	48,376
Interest and rent on land	-	6	-	6	6	-	100.0	-	-
Transfers & subsidies									
Provinces & municipalities	21,500	(5,682)	-	15,818	15,818	-	100.0	17,468	16,095
Departmental agencies & accounts	50	(50)	-	-	-	-	-	-	-
Universities & technikons	1,500	-	-	1,500	1,500	-	100.0	-	-
Non-profit institutions	-	-	-	-	-	-	-	100	100
Households	1,302,925	7,975	733	1,311,633	1,311,633	-	100.0	1,177,046	1,105,537
Gifts and donations	-	67	-	67	67	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	605	-	(282)	323	323	-	100.0	313	214
Software & other intangible assets	-	-	-	-	-	-	-	28	28
Total	1,450,967	-	(8,066)	1,442,901	1,442,722	179	100.0	1,284,881	1,210,950

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
APPROPRIATION STATEMENT
for the year ended 31 March 2009

Detail per programme 3 - Local Government
(for the year ended 31 March 2009)

Details per sub-programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Local Governance									
Current payment	45,530	(1,244)	2,765	47,051	47,051	-	100.0	38,144	38,144
Transfers and subsidies	8,419	1,099	-	9,518	9,518	-	100.0	5,472	5,472
Payment for capital assets	50	-	(27)	23	23	-	100.0	1,581	1,581
3.2 Development and Planning									
Current payment	15,953	-	785	16,738	16,738	-	100.0	17,739	14,039
Transfers and subsidies	2,425	145	-	2,570	2,570	-	100.0	4,962	4,565
Payment for capital assets	1,020	-	(497)	523	523	-	100.0	96	96
Total	73,397	-	3,026	76,423	76,423	-	100.0	67,994	63,897

Programme 3 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	43,198	-	3,200	46,398	46,398	-	100.0	34,113	34,113
Goods and services	18,285	(1,299)	350	17,336	17,336	-	100.0	21,770	18,070
Interest and rent on land	-	55	-	55	55	-	100.0	-	-
Transfers & subsidies									
Provinces & municipalities	8,394	2,185	-	10,579	10,579	-	100.0	8,883	8,486
Departmental agencies & accounts	100	175	-	275	275	-	100.0	1,040	1,040
Non-profit institutions	725	(650)	200	275	275	-	100.0	325	325
Households	1,625	(685)	(200)	740	740	-	100.0	186	186
Gifts and donations	-	219	-	219	219	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	1,070	-	(524)	546	546	-	100.0	1,677	1,677
Total	73,397	-	3,026	76,423	76,423	-	100.0	67,994	63,897

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2009

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (B-F) and 1H 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 note 6 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 Approp.
	R'000	R'000	R'000	%
Programme 2: Housing	1,442,901	1,442,722	179	0.0
Total	1,442,901	1,442,722	179	0.0

Explanation of variance: The underspending is mainly due to certain goods not delivered before 31/03/2009.

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Goods and services	65,828	65,649	179	0.3
Total	65,828	65,649	179	0.3

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
REVENUE			
Annual appropriation	1	1,615,814	1,431,861
Departmental revenue	2	7,345	36,562
TOTAL REVENUE		1,623,159	1,468,423
EXPENDITURE			
Current expenditure			
Compensation of employees	3	142,645	110,263
Goods and services	4	125,086	103,821
Interest and rent on land	5	69	-
Financial transactions in assets and liabilities	6	330	368
Total current expenditure		268,130	214,452
Transfers and subsidies			
Transfers and subsidies	7	1,342,593	1,134,284
Expenditure for capital assets			
Tangible capital assets	8	4,812	5,052
Software and other intangible assets	8	100	45
Total expenditure for capital assets		4,912	5,097
TOTAL EXPENDITURE		1,615,635	1,353,833
SURPLUS FOR THE YEAR		7,524	114,590
Reconciliation of Net Surplus for the year			
Voted Funds	12	179	78,028
Departmental revenue	2	7,345	36,562
SURPLUS FOR THE YEAR		7,524	114,590

**WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
ASSETS			
Current Assets		52,753	131,256
Cash and cash equivalents	9	46,131	126,749
Prepayments and advances	10	129	87
Receivables	11	6,493	4,420
TOTAL ASSETS		52,753	131,256
LIABILITIES			
Current Liabilities		52,637	131,177
Voted funds to be surrendered to the Revenue Fund	12	179	78,028
Departmental revenue to be surrendered to the Revenue Fund	13	4,667	3,501
Payables	14	47,791	49,648
TOTAL LIABILITIES		52,637	131,177
NET ASSETS		116	79
Represented by:			
Recoverable revenue		116	79
TOTAL		116	79

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
STATEMENT OF CHANGES IN ASSETS
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
Recoverable revenue			
Opening balance		79	32
Transfers		37	47
Irrecoverable amounts written off	6.5	(7)	-
Debts revised		(26)	-
Debts recovered (included in departmental receipts)		(152)	(151)
Debts raised		222	198
Closing balance		<u>116</u>	<u>79</u>
Total		<u><u>116</u></u>	<u><u>79</u></u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
CASH FLOW STATEMENT
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,696,659	1,518,423
Annual appropriated funds received	1.1	1,615,814	1,431,861
Departmental revenue received	2	80,845	86,562
Net (increase)/decrease in working capital		(3,972)	2,822
Surrendered to Revenue Fund		(157,707)	(322,275)
Current payments		(268,130)	(214,452)
Transfers and subsidies paid		(1,342,593)	(1,134,284)
Net cash flow available from operating activities	15	(75,743)	(149,766)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(4,912)	(5,097)
Net cash flows from investing activities	8	(4,912)	(5,097)
Increase/ (decrease) in net assets		37	47
Net cash flows from financing activities		37	47
Net (decrease) in cash and cash equivalents		(80,618)	(154,816)
Cash and cash equivalents at beginning of period		126,749	281,565
Cash and cash equivalents at end of period	16	46,131	126,749

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share).

Programmes	Final Appropriation 2008/09 R'000	Actual Funds Received 2008/09 R'000	Funds not requested/ not received 2008/09 R'000	Appropriation Received 2007/08 R'000
Administration	96,490	96,490	-	78,986
Housing	1,442,901	1,442,901	-	1,276,237
Local Government	76,423	76,423	-	76,638
Total	1,615,814	1,615,814	-	1,431,861

Note	2008/09 R'000	2007/08 R'000
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1.2 Conditional grants**

Total grants received	Annexure 1A	<u>1,305,862</u>	<u>1,177,770</u>
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(** It should be noted that the Conditional grants are included in the amounts per the Final Appropriation in Note 1.1)

2. Departmental Revenue

Sales of goods and services other than capital assets	2.1	443	44
Interest, dividends and rent on land	2.2	2,995	953
Financial transactions in assets and liabilities	2.3	72,847	85,535
Transfer received	2.4	4,560	30
Total revenue collected		<u>80,845</u>	<u>86,562</u>
Less: Own revenue included in appropriation	13	73,500	50,000
Departmental revenue collected		<u><u>7,345</u></u>	<u><u>36,562</u></u>

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		440	43
Administrative fees		53	43
Other sales		387	-
Sales of scrap, waste and other used current goods		3	1
Total		443	44
2.2 Interest, dividends and rent on land	2		
Interest		2,738	433
Rent on land		257	520
Total		2,995	953
2.3 Financial transactions in assets and liabilities	2		
Loans and advances		65,777	22,770
Other Receipts including Recoverable Revenue		7,070	62,765
Total		72,847	85,535
2.4 Transfers received	2		
Public corporations and private enterprises	Annexure 1G	4,560	30
Total		4,560	30

Included in the above are the following receipts in respect of the former WCHDF:
Royalties: R257,000 (Note 2.2: Rent on land)
Rental on Housing properties: R1,570,000 (Note 2.3: Loans and advances)

3. Compensation of employees

3.1 Salaries and wages			
Basic salary		93,372	75,712
Performance award		2,100	1,521
Service Based		6,337	4,997
Compensative/circumstantial		7,848	3,030
Periodic payments		1,346	866
Other non-pensionable allowances		13,468	9,212
Total		124,471	95,338

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
3.2 Social Contributions			
Employer contributions			
Pension		11,289	9,507
Medical		6,863	5,397
Bargaining council		22	20
Insurance		-	1
Total		18,174	14,925
Total compensation of employees		142,645	110,263
Average number of employees		722	667
4. Goods and services			
Administrative fees		184	96
Advertising		6,818	4,577
Assets less than R5,000	4.1	1,690	1,891
Bursaries (employees)		302	354
Catering		3,549	2,554
Communication		6,485	4,801
Computer services	4.2	1,251	513
Consultants, contractors and agency/outsourced services	4.3	70,777	58,838
Entertainment		75	82
Audit cost – external	4.4	3,114	2,706
Inventory	4.5	3,656	3,040
Lease payments		2,015	1,204
Owned and leasehold property expenditure	4.6	198	241
Transport provided as part of the departmental activities		1	2
Travel and subsistence	4.7	16,310	15,247
Venues and facilities		4,290	3,088
Training and staff development		3,769	3,352
Other operating expenditure	4.8	602	1,235
Total		125,086	103,821

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
4.1 Assets less than R5,000	4		
Tangible assets		1,314	1,711
Machinery and equipment		1,314	1,711
Intangible assets		376	180
Total		1,690	1,891
4.2 Computer services	4		
SITA computer services		799	484
External computer service providers		452	29
Total		1,251	513
4.3 Consultants, contractors and agency/outsourced services	4		
Business and advisory services		46,511	27,393
Infrastructure and planning		5,611	1,096
Legal costs		4,638	2,830
Contractors		11,948	10,066
Agency and support/outsourced services		2,069	17,453
Total		70,777	58,838
4.4 Audit costs – external	4		
Regularity audits		3,031	2,129
Performance audits		83	577
Total		3,114	2,706
4.5 Inventory	4		
Fuel, oil and gas		19	15
Other consumable materials		97	380
Maintenance material		49	7
Stationery and printing		3,490	2,638
Medical supplies		1	-
Total		3,656	3,040

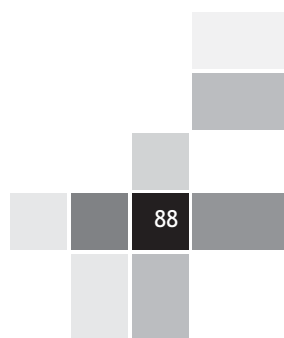
WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
4.6 Owned and leasehold property expenditure	4		
Municipal services		1	-
Property management fees		42	-
Other		155	241
Total		198	241
4.7 Travel and subsistence	4		
Local		14,954	13,266
Foreign		1,356	1,981
Total		16,310	15,247
4.8 Other operating expenditure	4		
Professional bodies, membership and subscription fees		75	301
Resettlement costs		72	275
Other		455	659
Total		602	1,235
5. Interest and Rent on Land			
Interest paid (Finance Leases)		69	-
Total		69	-
6. Financial Transactions in Assets and Liabilities			
Material losses through criminal conduct		210	11
Theft	6.4	1	5
Other material losses	6.1	209	6
Other material losses written off	6.2	61	354
Debts written off	6.3	59	3
Total		330	368

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009



	Note	2008/09 R'000	2007/08 R'000
6.1 Other material losses	6		
Nature of other material losses			
Incident	Disciplinary Steps taken/ Criminal proceedings		
Fraud with individual Consolidation Subsidies: Developer failed to deliver top structures to beneficiaries.	All reasonable steps taken to recover the debt from the developer were unsuccessful. No criminal steps were taken.	-	6
Fraudulent duplicate payments made to a contractor.	A departmental official was convicted of fraud in a court of law following an investigation by the Forensic Investigation Unit. The loss amount was not recovered as the claim prescribed.	209	-
Total		<u><u>209</u></u>	<u><u>6</u></u>
6.2 Other material losses written off	6		
Nature of losses			
Vehicle and vehicle accessories damage		51	92
Ex-employees: Interest on voluntary severance package (Arbitration outcome)		-	60
Ex-employees: Salary overpayment & T&S (Uneconomical to recover)		3	-
Unresolved accounts (prescribed)		7	202
Total		<u><u>61</u></u>	<u><u>354</u></u>
6.3 Debts written off	6		
Nature of debts written off			
Salary related debt (ex-employees)		59	3
Total		<u><u>59</u></u>	<u><u>3</u></u>



WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

	Note	2008/09 R'000	2007/08 R'000
6.4 Details of theft	6		
Nature of theft			
Theft of office equipment & tools		1	5
Total		<u>1</u>	<u>5</u>

Although reported to the SAPS, no further steps were taken with regard to the theft as the theft could not be proved against the accused official.

6.5 Recoverable revenue written off			
Nature of losses			
Salary related: ex-employees		7	-
Total		<u>7</u>	<u>-</u>

7. Transfers and subsidies			
Provinces and municipalities	Annexure 1B	26,397	24,581
Departmental agencies and accounts	Annexure 1C	275	1,000
Universities and technikons	Annexure 1D	1,500	-
Non-profit institutions	Annexure 1E	275	250
Households	Annexure 1F	1,313,478	1,108,038
Gifts, donations and sponsorships made	Annexure 1H	668	415
Total		<u>1,342,593</u>	<u>1,134,284</u>

8. Expenditure for capital assets			
Tangible assets			
Machinery and equipment	28.1	4,812	5,052
Software and other intangible assets			
Computer software	29.1	100	45
Total		<u>4,912</u>	<u>5,097</u>

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

	Voted Funds R'000	Aid assistance R'000	Total R'000
Tangible assets	4,812	-	4,812
Machinery and equipment	4,812	-	4,812
Software and other intangible assets	100	-	100
Computer software	100	-	100
Total	4,912	-	4,912

8.2 Analysis of funds utilised to acquire capital assets - 2007/08

	Voted Funds R'000	Aid assistance R'000	Total R'000
Total assets acquired	5,097	-	5,097

Note	2008/09 R'000	2007/08 R'000
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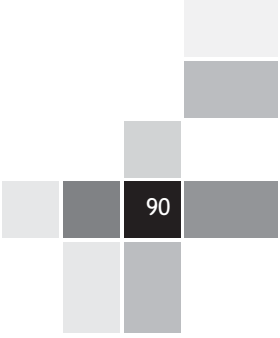
9. Cash and Cash Equivalents

Consolidated Paymaster General Account	(20)	(46,662)
Disbursements	-	3,843
Cash with commercial banks (Local)	46,151	169,568
Total	46,131	126,749

Cash with commercial banks represents cash not required by the Department for immediate use and is invested by the Provincial Treasury at various commercial banks. Interest earned on these investments is reflected in the financial statements of the PGWC. Included in these investments is a total amount of R45,026,000 which was invested on behalf of the WCHDF.

10. Prepayments and Advances

Travel and subsistence	129	87
Total	129	87



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	Note	2008/09			Total R'000	Total R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
11. Receivables						
Claims recoverable	11.1 Annexure 3	770	16	-	786	718
Recoverable expenditure	11.2	3,058	2,329	-	5,387	3,338
Staff debt	11.3	164	105	51	320	360
Other debtors	11.4	-	-	-	-	4
Total		3,992	2,450	51	6,493	4,420
				Note	2008/09 R'000	2007/08 R'000
11.1 Claims recoverable				11		
National departments					1	53
Provincial departments					785	665
Total					786	718
11.2 Recoverable expenditure (disallowance accounts)				11		
Disallowance account: Miscellaneous					2,662	524
Disallowance account: Damages and losses					2,725	2,814
Total					5,387	3,338
11.3 Staff debt				11		
Breach of contract: Study bursaries					70	66
Salary related debt					137	159
Transport and subsistence					40	90
Private telephone					19	29
State guarantees					18	16
Interest on overpayment to UWC (CDW programme)					36	-
Total					320	360
11.4 Other debtors				11		
Persal clearing accounts					-	4
Total					-	4
12. Voted Funds to be Surrendered to the Revenue Fund						
Opening balance					78,028	230,398
Transfer from statement of financial performance					179	78,028
Paid during the year					(78,028)	(230,398)
Closing balance					179	78,028

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	Note	2008/09 R'000	2007/08 R'000
13. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		3,501	8,816
Transfer from Statement of Financial Performance		7,345	36,562
Own revenue included in appropriation		73,500	50,000
Paid during the year		(79,679)	(91,877)
Closing balance		4,667	3,501
14. Payables - current			
Clearing accounts	14.1	156	124
Other payables	14.2	47,635	49,524
Total		47,791	49,648
14.1 Clearing accounts			
Persal clearing accounts	14	156	124
Total		156	124
14.2 Other payables			
Western Cape Housing Development Fund	14	47,635	48,924
Capacity development support funding		-	600
Total		47,635	49,524
15. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		7,524	114,590
Add back non cash/cash movements not deemed operating activities		(83,267)	(264,356)
(Increase)/decrease in receivables – current		(2,073)	3,031
(Increase)/decrease in prepayments and advances		(42)	43
Increase/(decrease) in payables – current		(1,857)	(252)
Expenditure on capital assets		4,912	5,097
Surrenders to Revenue Fund		(157,707)	(322,275)
Own revenue included in appropriation		73,500	50,000
Net cash flow generated by operating activities		(75,743)	(149,766)
16. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(20)	(46,662)
Disbursements		-	3,843
Cash with commercial banks (Local)		46,151	169,568
Total		46,131	126,749

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

	Note	2008/09 R'000	2007/08 R'000
17. Contingent liabilities			
Liable to	Nature		
Housing loan guarantees	Employees	51	93
Other departments (interdepartmental unconfirmed balances)		451	-
Other	Annexure 2B	500	44
Total		1,002	137
18. Commitments			
Current expenditure			
Approved and contracted		12,920	6,712
Approved but not yet contracted		731	548
		13,651	7,260
Capital Expenditure			
Approved and contracted		44	71
Approved but not yet contracted		135	70
		179	141
Total Commitments		13,830	7,401

Included in the amount of R12,920,000 is R5,769,238, being the Department's obligation for 2009/10 in terms of the contract with the SIU. The amount paid to the SIU in 2008/09 amounted to R2,583,974.

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	Note	2008/09 R'000	2007/08 R'000	
19. Accruals				
Listed by economic classification				
	30 Days	30+ Days	Total	
Goods and services	7,674	2,537	10,211	
Transfers and subsidies	47,541	11,258	58,799	
Machinery and equipment	-	-	-	
Total	55,215	13,795	69,010	
Listed by programme level				
Programme 1: Administration		2,002	1,221	
Programme 2: Housing		66,825	5,597	
Programme 3: Local Government		183	182	
Total		69,010	7,000	
Confirmed balances with departments	Annexure 4	1	855	
Total		1	855	
20. Employee benefits				
Leave entitlement		4,059	3,658	
Thirteenth cheque		3,534	2,809	
Performance awards		2,348	2,030	
Capped leave commitments		6,222	6,281	
Total		16,163	14,778	
21. Lease commitments				
21.1 Operating leases expenditure				
	Land	Buildings & other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
2008/09				
Not later than 1 year	-	-	690	690
Later than 1 year and not later than 5 years	-	-	435	435
Total lease commitments	-	-	1,125	1,125
2007/08				
Not later than 1 year	-	-	779	779
Later than 1 year and not later than 5 years	-	-	623	623
Total lease commitments	-	-	1,402	1,402

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	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
21.2 Finance leases expenditure **				
2008/09				
Not later than 1 year	-	-	1,073	1,073
Later than 1 year and not later than 5 years	-	-	423	423
Total lease commitments	-	-	1,496	1,496
Less: Finance costs	-	-	109	109
Total present value of lease liabilities	-	-	1,387	1,387
2007/08				
Not later than 1 year	-	-	129	129
Later than 1 year and not later than 5 years	-	-	42	42
Total lease commitments	-	-	171	171
Less: Finance costs	-	-	12	12
Total present value of lease liabilities	-	-	159	159

The Department has leased assets (cellphone & datacard agreements) under finance leases amounting to R2,007,600 (2008: R269,000)

	Note	2008/09 R'000	2007/08 R'000
22. Receivables for departmental revenue			
Sales of goods and services other than capital assets		11	-
Total		11	-

The above amount is receivable in terms of a royalty agreement with Southern Cape Brick CC. Excluded from the above is irregular subsidies allocated to non-qualifying beneficiaries which is being recovered by the Special Investigating Unit (SIU). This is further discussed under paragraph 17 of the Accounting Officer's Report dealing with investigations.

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

Opening balance	5,290	5,290
Add: Irregular expenditure - relating to prior year	321	-
Add: Irregular expenditure - relating to current year	413	-
Less: Amounts condoned	(5,813)	-
Less: Amounts recoverable (not condoned)	(211)	-
Irregular expenditure awaiting condonation	-	5,290
Analysis of awaiting condonation per age classification		
Prior years	-	5,290
Total	-	5,290

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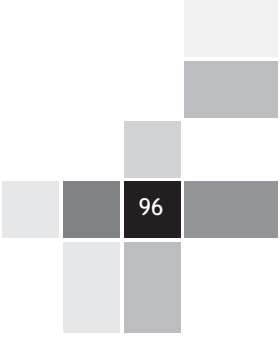


		2008/09 R'000
23.2 Details of irregular expenditure - current year		
Incident	Disciplinary steps taken/criminal proceedings	
Irregular procurement of goods and services. (contravention of the procurement prescripts)	Resolved/Final written warning.	247
Irregular procurement of goods and services. (contravention of the procurement prescripts)	Resolved/Written warning.	59
Irregular procurement of goods and services. (contravention of the procurement prescripts)	Resolved/Written warning.	49
Irregular procurement of goods and services. (contravention of the procurement prescripts)	Resolved/Written warning.	40
Irregular procurement of goods and services. (contravention of the procurement prescripts)	Resolved/Not guilty.	18
		413

A total amount of R393,000 was condoned and R20,444 was not condoned and transferred to Receivables for recovery.

23.3 Details of irregular expenditure condoned		
Incident	Condoned by (condoning authority)	
Irregular procurement of goods and services (Contravention of the procurement prescripts)	Head of Department	5,290
		5,290

Irregular expenditure condoned consists of seven incidents where the procurement prescripts were contravened. Of these one incident occurred in 2002/03, one incident during 2003/04 and five incidents during 2006/07.



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	2008/09 R'000
23.4 Details of irregular expenditure recoverable (not condoned)	
Incident	Condoning authority
Irregular procurement of goods and services. (Contravention of the procurement prescripts)	Head of Department 211
	211
24. Fruitless and wasteful expenditure	
24.1 Reconciliation of fruitless and wasteful expenditure	
Fruitless and wasteful expenditure – relating to prior year	34
Fruitless and wasteful expenditure – relating to current year	31
Less: Amounts transferred to receivables for recovery	(65)
Fruitless and wasteful expenditure awaiting condonement	-
24.2 Analysis of Current Year's Fruitless and wasteful expenditure	
Irregularity with procurement of goods and services (contravention of procurement prescripts). After submission of the bids it was discovered that the supplier was allowed to include costs relating to customer relation management in addition to the original quote. The contract was subsequently declared nul and void, but the company submitted an invoice for costs incurred in relation to the tender which had to be honoured in terms of the agreement/contract. No goods/services were delivered.	Final written warning. Amount will be recovered from the relevant official. 31
	31
25. Related Party Transactions	

Thubelisha Homes, a National public entity, manages the N2 Gateway project. The total amounts transferred to them were R306,452,665 for Housing subsidies, and R24,022,830 for project management fees and R27,925,875 for security, legal and eviction costs. All transactions (revenue and expenditure) in respect of WCHDF properties were accounted for in the Department's financial records. The Department occupies a building (27 Wale Street building) free of charge, which building is the property of the WC: Department of Transport and Public Works. All maintenance costs, municipal rates and taxes and municipal services, as well as cleaning services in respect of the building are paid for by the WC: Department of Transport and Public Works. The Department also used IT infrastructure provided by the Department of the Premier free of charge. Furthermore, internal audits are conducted in the Department free of charge by the Internal Audit Directorate of the WC: Provincial Treasury.

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	No. of Individuals	2008/09 R'000	2007/08 R'000
26. Key management personnel			
Political office bearers (provide detail below)	1	945	835
Officials:			
Level 15 to 16	3	2,948	1,826
Level 14 (incl CFO if at a lower level)	4	2,703	3,979
Family members of key management personnel	1	457	-
Total		7,053	6,640

<p>Included in total remuneration for 2008/09 are performance bonuses of R46,125 paid to SMS members.</p> <p>No related party transactions were concluded with key management personnel or family of key management personnel.</p>
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	Note	2008/09 R'000	2007/08 R'000
27. Provisions			
Potential irrecoverable debts			
Households and non profit institutions		195	270
Private enterprises		4,990	2,464
Staff debtors		154	-
Other debtors		3	128
Total		5,342	2,862

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28. Movable Tangible Capital Assets

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

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	17,996	(179)	5,221	(536)	22,502
Transport assets	-	-	520	(489)	31
Computer equipment	14,838	-	3,612	-	18,450
Furniture and office equipment	2,218	(754)	841	-	2,305
Other machinery and equipment	940	575	248	(47)	1,716
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	17,996	(179)	5,221	(536)	22,502

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash R'000	Non-cash R'000	(Capital work-in- progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
MACHINERY AND EQUIPMENT	4,812	375	-	34	5,221
Transport assets	489	-	-	31	520
Computer equipment	3,276	319	-	17	3,612
Furniture and office equipment	791	56	-	(6)	841
Other machinery and equipment	256	-	-	(8)	248
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4,812	375	-	34	5,221

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28.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2009**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	-	536	536	-
Transport assets	-	489	489	-
Other machinery and equipment	-	47	47	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	536	536	-

28.3 Movement for 2007/08

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	14,332	5,251	(1,587)	17,996
Transport assets	389	1,174	(1,563)	-
Computer equipment	11,856	3,006	(24)	14,838
Furniture and office equipment	1,628	590	-	2,218
Other machinery and equipment	459	481	-	940
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	14,332	5,251	(1,587)	17,996

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28.4 Minor Assets

MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	1,126	86	9,791	-	11,003
TOTAL	1,126	86	9,791	-	11,003

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	449	87	8,219	-	8,755
TOTAL	449	87	8,219	-	8,755

29. Intangible Capital Assets

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

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	275	-	110	-	385
TOTAL INTANGIBLE CAPITAL ASSETS	275	-	110	-	385

29.1 Additions

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH
2009**

	Cash R'000	Non-cash R'000	(Development work-in- progress current costs) R'000	Received current, not paid (Paid current year, received R'000	Total R'000
COMPUTER SOFTWARE	100	10	-	-	110
TOTAL INTANGIBLE CAPITAL ASSETS	100	10	-	-	110

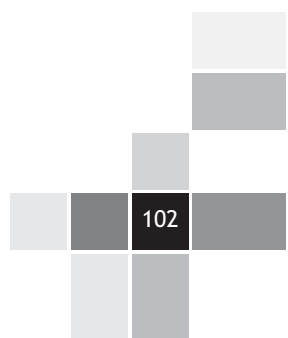
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29.2 Movement for 2007/08

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	208	67	-	275
TOTAL	208	67	-	275



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ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2007/08	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DoRA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by departments
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Division of Revenue Act Department of Housing (Housing subsidies)	1,203,984	-	101,878	-	1,305,862	1,305,862	1,305,862	100	1,177,770	1,121,708
	1,203,984	-	101,878	-	1,305,862	1,305,862	1,305,862		1,177,770	1,121,708

WESTERN CAPE PROVINCE
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ANNEXURE 1B: STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	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
Project preparation/ Masterplanning:										
Mun: Beaufort West	-	-	-	-	-	-	-	-	-	63
Mun: Berg River	-	-	-	-	-	-	-	-	-	62
Mun: Breede River	-	-	-	-	-	-	-	-	-	62
Mun: Breede Valley	-	-	-	-	-	-	-	-	-	62
Mun: Cape Agulhas	-	-	-	-	-	-	-	-	-	62
Mun: Cederberg	-	-	-	-	-	-	-	-	-	63
Mun: Drakenstein	-	-	59	59	59	100	59	59	100	162
Mun: George	-	-	813	813	813	100	813	813	100	163
Mun: Kannaland	-	-	-	-	-	-	-	-	-	62
Mun: Knysna	-	-	100	100	100	100	100	100	100	163
Mun: Laingsburg	-	-	-	-	-	-	-	-	-	63
Mun: Hessequa	-	-	100	100	100	100	100	100	100	163
Mun: Bitou	-	-	100	100	100	100	100	100	100	100
Mun: Matzikama	-	-	-	-	-	-	-	-	-	62
Mun: Mosselbay	-	-	63	63	63	100	63	63	100	63
Mun: Oudtshoorn	-	-	-	-	-	-	-	-	-	62
Mun: Overstrand	-	-	-	-	-	-	-	-	-	62
Mun: Plettenberg/Bitou	-	-	-	-	-	-	-	-	-	62
Mun: Prince Albert	-	-	61	61	61	100	61	61	100	63
Mun: Saldanha Bay	-	-	62	62	62	100	62	62	100	63
Mun: Stellenbosch	-	-	100	100	100	100	100	100	100	63
Mun: Swartland	-	-	100	100	100	100	100	100	100	162
Mun: Swellendam	-	-	-	-	-	-	-	-	-	163
Mun: Theewaterskloof	-	-	-	-	-	-	-	-	-	62
Mun: Witzenberg	-	-	-	-	-	-	-	-	-	63
Aerial Fire-fighting assistance:										
Overberg district municipality	255	-	-	255	255	100	255	255	100	200
Mun: City Cape Town	425	-	-	425	425	100	425	425	100	1,500
Eden district municipality	255	-	-	255	255	100	255	255	100	-
West Coast district municipality	255	-	-	255	255	100	255	255	100	-
Cape Winelands district municipality	255	-	-	255	255	100	255	255	100	-
Central Karoo district municipality	255	-	-	255	255	100	255	255	100	-

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ANNEXURE 1B: STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES (CONT.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	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
Disaster Management centre:										
Mun: Central Karoo (Mn cent DC5)	-	-	-	-	-	-	-	-	-	1,500
Provincial MSP:										
Mun: Cederberg	1,000	-	250	1,250	1,250	100	1,250	1,250	100	1,500
Overberg district municipality	700	-	(140)	560	560	100	560	560	100	-
Mun: Kannaland	1,000	-	1,000	2,000	2,000	100	2,000	2,000	100	-
West Coast district municipality	-	-	300	300	300	100	300	300	100	-
Mun: Witzenberg	-	-	248	248	248	100	248	248	100	-
Mun: Drakenstein	-	-	503	503	503	100	503	503	100	1,500
Mun: Hessequa	-	-	120	120	120	100	120	120	100	-
Municipal rates and taxes:										
Mun: City of Cape Town	11,094	-	1,260	12,354	12,354	100	12,354	12,354	100	13,922
Mun: Drakenstein	1,203	-	-	1,203	1,203	100	1,203	1,203	100	-
Mun: George	15	-	-	15	15	100	15	15	100	-
Mun: Saldanha Bay	320	-	-	320	320	100	320	320	100	21
Mun: Breede Valley	115	-	-	115	115	100	115	115	100	-
Mun: Stellenbosch	253	-	-	253	253	100	253	253	100	-
CDW Operational Cost Grant:										
Mun: Cape Wineland	-	-	100	100	100	100	100	100	100	-
Mun: Central Karoo	120	-	50	170	170	100	170	170	100	-
Mun: Eden	-	-	100	100	100	100	100	100	100	-
Mun: Overberg	48	-	2	50	50	100	50	50	100	36
Mun: Beaufort-West	240	-	-	240	240	100	240	240	100	180
Mun: Berg river	72	-	-	72	72	100	72	72	100	54
Mun: Bitou	72	-	-	72	72	100	72	72	100	54
Mun: Breede Valley	216	-	90	306	306	100	306	306	100	162
Mun: Cederberg	240	-	-	240	240	100	240	240	100	180
Mun: Drakenstein	168	-	-	168	168	100	168	168	100	126
Mun: George	72	-	-	72	72	100	72	72	100	54
Mun: Kannaland	168	-	-	168	168	100	168	168	100	126
Mun: Knysna	72	-	90	162	162	100	162	162	100	54
Mun: Laingsburg	120	-	-	120	120	100	120	120	100	90
Mun: Hessequa	72	-	90	162	162	100	162	162	100	54
Mun: Matzikama	192	-	-	192	192	100	192	192	100	144
Mun: Mossel Bay	96	-	(96)	-	-	-	-	-	-	72

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
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ANNEXURE 1B: STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES (CONT.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	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
Mun: Oudtshoorn	72	-	90	162	162	100	162	162	100	54
Mun: Overstrand	96	-	-	96	96	100	96	96	100	72
Mun: Prince Albert	120	-	-	120	120	100	120	120	100	90
Mun: Saldanha Bay	72	-	-	72	72	100	72	72	100	54
Mun: Stellenbosch	120	-	-	120	120	100	120	120	100	90
Mun: Swartland	48	-	-	48	48	100	48	48	100	36
Mun: Swellendam	120	-	-	120	120	100	120	120	100	90
Mun: Theewaterkloof	240	-	-	240	240	100	240	240	100	180
Mun: Witzenberg	216	-	-	216	216		216	216		162
Mun: Central Karoo	-	-	-	-	-		-	-		90
Mun: West Coast	72	-	100	172	172	100	172	172	100	54
Mun: Breede River/Winelands	-	-	90	90	90	100	90	90	100	-
Mun: Cape Agulhas	-	-	48	48	48	100	48	48	100	-
Housing Consumer Education Grant:										
Mun: City of Cape Town	300	-	(300)	-	-		-	-		100
Mun: George	-	-	-	-	-		-	-		800
Mun: Overstrand	150	-	(150)	-	-		-	-		200
Mun: Saldanha Bay	-	-	-	-	-		-	-		200
Mun: Matzikama	40	-	(40)	-	-		-	-		-
Mun: Cederberg	60	-	(60)	-	-		-	-		-
Mun: Bergriver	60	-	(60)	-	-		-	-		-
Mun: Saldanha Bay	100	-	(100)	-	-		-	-		-
Mun: Swartland	70	-	(70)	-	-		-	-		-
Mun: George	400	-	(400)	-	-		-	-		-
Mun: Beaufort-West	120	-	(120)	-	-		-	-		150
Mun: Cape Winelands	200	-	(200)	-	-		-	-		200
	22,044	-	4,353	26,397	26,397		26,397	26,397.00		26,351

Note: Project Preparation and Masterplanning has been combined.

WESTERN CAPE PROVINCE
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ANNEXURE 1C: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY ACCOUNT	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Apropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Western Cape Nature Conservation Board	-	-	-	-	-		750
National Sea Rescue Institute (NSRI)	275	-	-	275	275	100	250
	275	-	-	275	275		1,000

ANNEXURE 1D: STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION				Transfer			2007/08
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	transferred	% of Available transferred	Apropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of Cape Town	1,500	-	-	1,500	1,500	-	100	-
	1,500	-	-	1,500	1,500	-		-

ANNEXURE 1E: STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Apropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Lifesaving SA	275	-	-	275	275	100	250
Total	275	-	-	275	275		250

**WESTERN CAPE PROVINCE
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ANNEXURE 1F: STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	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							
Bursaries (non-employees)	212	-	-	212	212	100	198
Employee social benefits - Injury on duty	19	-	-	19	19	100	-
Employee social benefits - Leave gratuity	670	-	-	670	670	100	1,142
Employee social benefits - Severence package	867	-	-	867	867	100	1,860
Post retirement benefits	191	-	-	191	191	100	218
Arbitration award: ex-employee: KM Garcia	-	-	-	-	-		462
	1,959	-	-	1,959	1,959		3,880
Subsidies							
Integrated housing and human settlement development grant	1,249,800	56,062	-	1,305,862	1,263,636	97	1,145,667
Provincial housing accelerating grant	30,000	17,883	-	47,883	47,883	100	30,000
	1,279,800	73,945	-	1,353,745	1,311,519		1,175,667
Total	1,281,759	73,945	-	1,355,704	1,313,478		1,179,547

Note: Post retirement benefits were previously classified under Compensation of employees. It now forms part of Transfers to households in accordance with the new standard chart of accounts, implemented in 2008.

WESTERN CAPE PROVINCE
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ANNEXURE 1G: STATEMENT OF GIFTS, DONATIONS, AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
Received in cash			
ABSA Bank Ltd.	Sponsorship for the MEC's budget speech	-	30
M5 Developments	Sponsorship for the Govan Mbeki awards	50	-
Development Bank of SA	Assistance with internally displaced persons	4,500	-
ABSA Bank Ltd. (staff)	Contribution toward the 1 000 volunteer programme	10	-
Subtotal		4,560	30
Received in kind			
ABSA Bank Ltd.	Sponsorship for the MEC's budget speech	-	70
Old Mutual	Sponsorship for the MEC's budget speech	-	11
Dirkale Investment	Sponsorship for the MEC's budget speech	-	1
Ernst & Young	Sponsorship for the MEC's budget speech	-	28
Subtotal		-	110
TOTAL		4,560	140

The above amount of R4,500,000 received from the Development Bank of SA for the management of internally displaced persons was subsequently made available to other WC: Provincial Departments in the Adjustment Estimates for 2008/09.

WESTERN CAPE PROVINCE
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ANNEXURE 1H: STATEMENT OF GIFTS, DONATIONS, AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
	R'000	R'000
Paid in cash		
South African women in construction (SAWIC): Donation/sponsorship for gala dinner	-	50
Manenberg education fund: Donation to provide education opportunities for young people in Manenberg	-	50
Lavender Hill Secondary School: Donation for assistance with community upliftment project	-	50
Development Action Group (DAG): Donation/sponsorship to hos a dinner and to produce a publication to mark their 20th anniversary	-	50
Disaster Management Institute of SA: Donation/sponsorship to host an annual disaster management conference	-	75
South African Housing Foundation: Donation/sponsorship for annual international housing conference, exhibition and awards	50	100
SA Local Government association (SALGA): Sponsorship for the Provincial Members Assembly of SALGA in the Western Cape	100	40
Laingsburg municipality: Donation/sponsorship for Mayoral golf day.	10	-
Laingsburg municipality: Donation/sponsorship for the 2008 Karoo ultra marathon	20	-
Mitchell's Plain peoples forum: Donation/sponsorship as part of the Department's commitment toward the social transformation programme	60	-
Gender Advocacy programme: Donation for the Provincial Gender Machinery	20	-
Greater bulls disabled sports club: Donation/sponsorship for assistance with community upliftment for people living with a disability	25	-
Western Cape Fire Fighters Association: Donation/ sponsorship to send a fire fighting team to the fire fighting games in Liverpool	55	-
Donation/sponsorship for the Green Home Green Garden competition	40	-
Subtotal	380	415
Made in kind		
Personalised and branded diaries for management staff	99	-
Tickets for the Cape Jazz Festival to show support for Provincial initiatives and to give the tickets to staff as a motivational tool and to show gratitude for good performance	49	-
Supply of materials to provide a house for a disabled couple whose shack dwelling in Khayelitsha was destroyed by a runaway car	47	-
Food vouchers for 24 participants of the 1 000 volunteer programme	12	-
Book, entitled Consolidating Developmental Local Government, donated to Mayors at Vuna awards	10	-
Hire of sound and PA system for funeral service of Irene Booysen (Grootboom funeral)	10	-
USB-pens for budget speech media breakfast	9	-
Peak caps for Women Housing Indaba - Kimberley	11	-
Sympathy flowers/fruit baskets and other gifts and donations	41	-
Subtotal	288	-
TOTAL	668	415

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2A: STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2009 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Nedbank		368	44	-	44	-	-	-	-
First National Bank		250	49	-	30	-	19	-	-
ABSA		140	-	28	-	-	28	-	-
Total		758	93	28	74	-	47	-	-

ANNEXURE 2B: STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2009

Nature of liability	Opening balance 1 April 2008	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2009
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Thubelisha Homes & others v. Various occupants: Opinion regarding claim for damages	21	-	21	-	-
Beaufort West election - Opinion regarding response to the applicant's attorneys' letter regarding case No. 12226/2007	23	-	23	-	-
Erasmus Commission	-	500	-	-	500
TOTAL	44	500	44	-	500

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3: CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Provincial Government Western Cape						
Dept of Community Safety	25	11	-	16	25	27
Dept of Economic Development and Tourism	-	-	-	12	-	12
Dept of Education	74	44	-	-	74	44
Dept of Health	49	-	-	61	49	61
Dept of Transport and Public Works	-	61	558	425	558	486
Dept of Social Development	-	2	48	-	48	2
Dept of Cultural Affairs	-	12	-	1	-	13
Dept. Environmental Affairs and Development Planning	-	-	-	2	-	2
Western Cape Nature Conservation Board	-	1	-	-	-	1
National Departments						
Deputy Ministry of Provincial and Local Government	-	-	1	4	1	4
Dept of Environmental Affairs and Tourism	-	-	-	15	-	15
Dept of Public Works	-	18	-	-	-	18
SARS	-	-	-	16	-	16
Other Departments						
Prov. Government KwaZulu Natal (Dept. of Traditional Affairs and Local Government)	-	-	-	1	-	1
Eastern Cape Provincial Government: Local Government, Housing and Traditional Affairs	-	3	4	-	4	3
Free State Provincial Government: Local Government and Housing	-	-	2	2	2	2
Gauteng Provincial Government: Housing	-	-	19	4	19	4
Limpopo Provincial Government: Local Government and Housing	-	-	5	5	5	5
North West Provincial Government: Local Government and Housing	-	-	1	1	1	1
Northern Cape Provincial Government: Local Government and Housing	-	-	-	1	-	1
Total	148	152	638	566	786	718

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2009

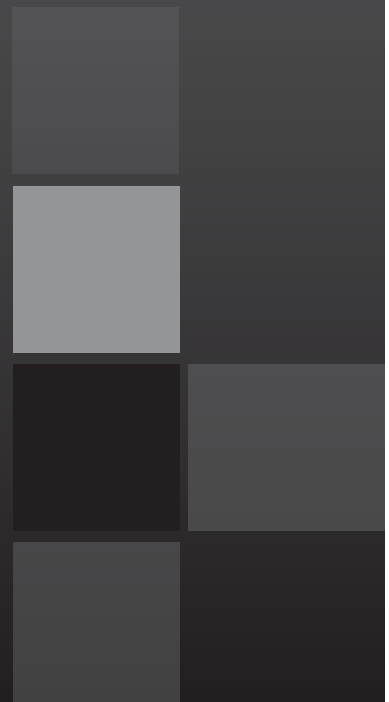
ANNEXURE 4: INTER-GOVERNMENTAL PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Amounts not included in Statement of Financial Position:						
Provincial Government Western Cape:						
Department of the Premier	-	-	48	-	48	-
Department of Transport & Public Works	-	855	358	-	358	855
Department of Education	1	-	-	-	1	-
National Commissioner: SAPS	-	-	19	-	19	-
Other institutions:						
PALAMA	-	-	26	-	26	-
Total	1	855	451	-	452	855



PART 5

OVERSIGHT REPORT





OVERSIGHT REPORT

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service. The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, and the public and other key stakeholders to monitor whether departments:

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

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders. The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA). If you wish to see additional information included in this report, please send suggestions (with a clear motivation) to:

The Director-General Department of Public Service and Administration

ATTENTION: Public Service Information Unit

P.O. Box 916, Pretoria, 0001

psiu@dpsa.gov.za

Fax: (012) 314-7020

OVERSIGHT REPORT

1. Service Delivery

TABLE 1.1 - MAIN SERVICES PROVIDED AND STANDARDS

<i>Main services</i>	<i>Actual customers</i>	<i>Potential customers</i>	<i>Standard of service</i>	<i>Actual achievement against standards</i>
The payment of subsidies to entitled beneficiaries	Municipalities and the public		Processing of beneficiary housing subsidy payments.	
To provide "Hands-on support	Municipalities	Municipalities	Low capacity municipalities supported with recovery plans and able to fulfill constitutional mandates	Achieved

TABLE 1.2 - CONSULTATION ARRANGEMENTS WITH CUSTOMERS

<i>Type of arrangement</i>	<i>Actual Customers</i>	<i>Potential Customers</i>	<i>Actual achievements</i>
Projects are planned through Consultative meetings. Consultation is also enhanced through the MEC'D5s Community Outreach Programme	Municipalities, other sector departments, public and the business sector.		Project meeting held.
Establishment of Capacity Building Reference group	Municipalities		The group assisted in the identification of capacity gaps within the municipalities.

TABLE 1.3 - SERVICE DELIVERY ACCESS STRATEGY

<i>Access Strategy</i>	<i>Actual achievements</i>
<i>Cape Town and George offices are accessible by means of an effective customer helpdesk. The public also access the Departmental information by means of Information and Technology tools such as the Departmental website.</i>	Significantly increased enquiries from the public



OVERSIGHT REPORT

TABLE 1.4 - SERVICE INFORMATION TOOL

Type of information tool	Actual achievements
Housing subsidy system (HSS)	All subsidy and project approvals captured on HSS.

TABLE 1.5 - COMPLAINTS MECHANISM

Complaints mechanism	Actual achievements
<i>Subsidy helpdesk</i>	Interviews
	Telephonic interviews

OVERSIGHT REPORT

2. Expenditure

The following tables summarise final audited expenditure by programme (information as received from BAS reports) and by salary bands (information as received from PERSAL).

TABLE 2.1 - PERSONNEL COSTS BY PROGRAMME FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
1.Administration	96,490	48,521	3,238	6,966	50.29%	203
2.Housing	1,442,722	47,726	605	55,112	3.31%	227
3.Local Government	76,423	46,398	228	8,699	60.71%	172
4.Special Functions	-	-	-	-	-	-
Total	1,615,635	* 142,645	4,071	70,777	8.85%	199

TABLE 2.2 - PERSONNEL COSTS BY SALARY BANDS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary band	Personnel Expenditure	% of total personnel cost	Average personnel cost per employee (R'000)	Number of Employees as of 31 March 2009
Lower skilled (Levels 1-2)	1,059	0.7%	29	37
Skilled (Levels 3-5)	15,160	10.5%	70	216
Highly skilled production (Levels 6-8)	59,997	41.6%	149	402
Highly skilled supervision (Levels 9-12)	50,818	35.3%	252	202
Senior management (Levels 13-16)	17,073	11.8%	569	30
Total	*144,107	100%	162	**887

* The cost reflected here, includes expenditure with regard to Permanent Personnel, Contract Officials, Board Members and Interns, as per PERSAL. The figures in table 2.1 are per the Basic Accounting System and the figures in table 2.2 are per the PERSAL system. The difference in the figures between tables 2.1 and 2.2 above in respect of total personnel expenditure is due to the fact that table 2.2 does not include personnel expenditure (salaries) claimed and received from other departments. Furthermore, the two systems are not synchronised in respect of staff appointments and resignations and/or transfers to other Departments. Ultimately, the difference in the said personnel costs results in a difference between the figures for average personnel cost per employee.

** The total number of employees includes all employees remunerated during the reporting period.

OVERSIGHT REPORT

The following tables provide a summary per programme and salary bands, of expenditure incurred as a result of salaries, overtime, homeowner's allowance and medical assistance.

The cost excludes periodical payments, bonus, pension, acting and supervisory allowances, Regional Service Council levies and subsistence and traveling expenditures.

TABLE 2.3 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL ASSISTANCE BY PROGRAMME FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1. Administration	33,126	23%	1,102	0.8%	900	0.6%	2,318	1.6%
2. Housing	32,037	22.2%	886	0.6%	640	0.4%	1,988	1.4%
3. Local Government	28,812	20%	3,779	2.6%	656	0.5%	2,489	1.7%
4. Special Functions	-	-	-	-	-	-	-	-
Total	93,975	65.2%	5,767	4%	2,196	1.5%	6,795	4.7%

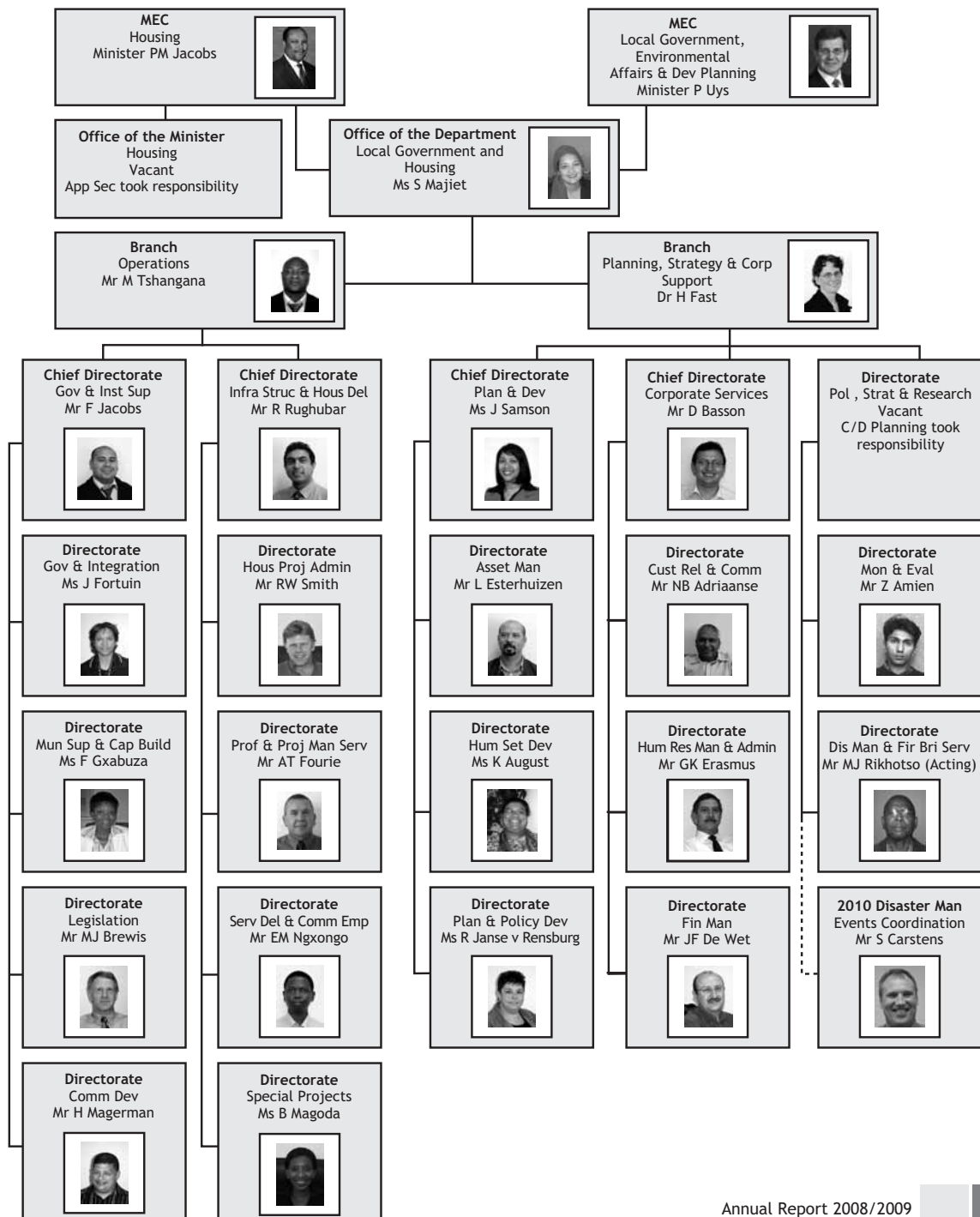
TABLE 2.4 - SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL ASSISTANCE BY SALARY BANDS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary band	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (levels 1-2)	580	0.4%	-	-	52	0.0%	90	0.1%
Skilled (levels 3-5)	9,486	6.6%	345	0.2%	427	0.3%	962	0.7%
Highly skilled production (levels 6-8)	39,543	27.4%	4,259	3%	1,289	0.9%	3,849	2.7%
Highly skilled supervision (levels 9-12)	34,375	23.9%	1,163	0.8%	428	0.3%	1,588	1.1%
Senior management (levels 13-16)	9,991	6.9%	-	-	-	-	306	0.2%
Total	93,975	65.2%	5,767	4%	2,196	1.5%	6,795	4.7%

OVERSIGHT REPORT

3. Employment and Vacancies

The organogram indicates the macro structure of the Department of Local Government and Housing, consisting of seven-hundred and ninety-four (794) approved permanent posts, as at 31 March 2009.



OVERSIGHT REPORT

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and staff that are additional to the establishment. This information is presented in terms of three key variables:- programme, salary band and critical occupations. The Department has identified critical occupations that need to be monitored.

TABLE 3.1 - EMPLOYMENT AND VACANCIES BY PROGRAMME AS AT 31 MARCH 2009

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 - Administration	260	227	12.7%	12
2 - Housing	249	190	23.7%	23
3 - Local Government	285	265	7.0%	4
Total	794	682	14.1%	39

Of the thirty-nine (39) posts filled additional to the establishment as at 31 March 2009 -

- The Department made use of twenty-nine (29) short-term contract appointees, who had a definite start and end date, appointed to render a supportive function to Line Management; and
- A total of ten (10) foreign officials were appointed in the Department to establish better Professional and Technical services to communities.

Of the one-hundred-and-twelve (112) posts vacant on the establishment as at 31 March 2009;

- Seventy-seven (77) posts were advertised and in the process of filling; and
- Thirty-five (35) posts were vacant but not yet advertised.

OVERSIGHT REPORT

TABLE 3.2 - EMPLOYMENT AND VACANCIES BY SALARY BANDS AS AT 31 MARCH 2009

Salary Band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	14	10	28.6%	-
Skilled (Levels 3-5)	180	150	16.6%	10
Highly skilled production (Levels 6-8)	398	366	8%	11
Highly skilled supervision (Levels 9-12)	177	133	24.9%	18
Senior management (Levels 13-16)	25	23	8%	-
Total	794	682	14.1%	39

Of the thirty-nine (39) posts filled additional to the establishment as at 31 March 2009 -

- The Department made use of twenty-nine (29) short-term contract appointees, who had a definite start and end date, appointed to render a supportive function to Line Management; and
- A total of ten (10) foreign officials were appointed in the Department to establish better Professional and Technical services to communities.

Of the one-hundred-and-twelve (112) posts vacant on the establishment as at 31 March 2009;

- Seventy-seven (77) posts were advertised and in the process of filling; and
- Thirty-five (35) posts were vacant but not yet advertised.

TABLE 3.3 - EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AS AT 31 MARCH 2009

Critical Occupation	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Architect	3	1	66.7%	3
Building Project Manager	6	6	0%	1
Engineer	10	3	70%	6
Industrial Technician	5	3	40%	2
Urban Designer	4	3	25%	-
Works Inspector	28	22	21.4%	1
Total	56	38	32.1%	13

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Of the thirteen (13) posts filled additional to the establishment as at 31 March 2009

- The Department made use of three (3) short-term contract appointees, who had a definite start and end date, appointed to render a supportive function to Line Management; and
- A total of ten (10) foreign officials were appointed in the Department to establish better Professional and Technical services to communities.

Of the eighteen (18) posts vacant on the establishment as at 31 March 2009

- Thirteen (13) posts were advertised and in the process of filling; and
- Five (5) posts were vacant but not yet advertised.

4. Filling of SMS Posts

The following tables summarises the number of SMS posts filled and vacant during the reporting period under review.

TABLE 4.1- SMS POSTS INFORMATION AS ON 30 SEPTEMBER 2008

SMS Level	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts Filled per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
Band A (Level 13)	18	16	89%	2	11%
Band B (Level 14)	4	4	100%	-	-
Band C (Level 15) but not Head of Department	2	2	100%	-	-
Band D (Level 16) Head of Department	1	1	100%	-	-
Total	25	23	92%	2	8%

SMS Posts vacant as on 30 September 2008

- Director Policy and Strategy (Vacant as from 18 August 2008, filled as from 01 April 2009)
- Director Customer Relations and Communications (Vacant as from 05 September 2008, filled as from 01 December 2008)

TABLE 4.2- SMS POSTS INFORMATION AS ON 31 MARCH 2009

SMS Level	Total Number of Funded SMS Posts per Level	Total Number of SMS Posts Filled per Level	% of SMS Posts Filled per Level	Total Number of SMS Posts Vacant per Level	% of SMS Posts Vacant per Level
Band A (Level 13)	18	16	89%	2	11%
Band B (Level 14)	4	4	100%	-	-
Band C (Level 15) but not Head of Department	2	2	100%	-	-
Band D (Level 16) Head of Department	1	1	100%	-	-
Total	25	23	92%	2	8%

SMS Posts vacant as on 31 March 2009

- Director Policy and Strategy (Vacant as from 18 August, filled as from 01 April 2009)
- Chief of Staff Ministry Housing (Vacant as from 08 February 2009, not yet filled by end of reporting period)

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TABLE 4.3- SMS POSTS INFORMATION AS ON 30 SEPTEMBER 2008

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of becoming Vacant	Number of Vacancies per Level Filled in 6 Months after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Band A (Level 13)	2	2	-
Band B (Level 14)	1	1	-
Band C (Level 15) but not Head of Department	-	-	-
Band D (Level 16) Head of Department	-	-	-
Total	3	3	-

SMS posts advertised and filled within 6 months:

- Director Customer Relations and Communications: Mr ZM Silinga (Appointed 08 April 2008)
- Director Customer Relations and Communications: Mr NB Adriaanse (Appointed 01 December 2008)

The aforementioned post was advertised and filled twice within the same reporting period

- Chief Director Planning and Development: Ms JJ Samson (Appointed 14 July 2008)

TABLE 4.4 - REASONS FOR NOT HAVING COMPLIED WITH THE FILLING OF FUNDED VACANT SMS POSTS - ADVERTISED WITHIN 6 MONTHS AND FILLED WITHIN 12 MONTHS AFTER BECOMING VACANT

Reasons for vacancies not advertised within 6 months:
None
Reasons for vacancies not advertised within 12 months:
None

Your attention is drawn to regulation 1/VII/C.1A.3 which provides that if a department does not comply with the time frames for filling funded vacant posts the reasons for non-compliance must be recorded in writing. Departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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TABLE 4.5 - DISCIPLINARY STEPS TAKEN FOR NOT COMPLYING WITH THE PRESCRIBED TIMEFRAMES FOR FILLING SMS POSTS WITHIN 12 MONTHS AFTER BECOMING VACANT.

Disciplinary steps taken for not complying with the prescribed timeframes:
None

In terms of regulation 1/VII/C.1A.2, read with regulation 4/1/C.3 of the Public Service Regulations, all funded SMS posts must be advertised within six months after becoming vacant and be filled within twelve months after becoming vacant. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

5. Job Evaluation

The following table summarises the number of jobs that were evaluated during the reporting period under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 5.1 - JOB EVALUATION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	Number of posts	Number of Jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	14	-	-	-	-	-	-
Skilled (Levels 3-5)	180	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	398	201	50.5%	201	100%	-	-
Highly skilled supervision (Levels 9-12)	177	8	4.5%	1	12.5%	-	-
Senior Management Service Band A (Level 13)	18	-	-	-	-	-	-
Senior Management Service Band B (Level 14)	4	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total (Approved establishment)	794	209	26.3%	202	96.7%	-	-
Envisaged Posts (New Structure)	31	31	100%	-	-	-	-
Additional Posts	3	3	100%	-	-	-	-
Grand Total	828	243	29.3%	202	83.1%	-	-

Of the two-hundred-and-forty-three (243) jobs evaluated -

- Two-hundred-and-nine (209) posts were re-evaluated on request of the responsible Manager;
- Three (3) posts were evaluated for creation additional to the approved establishment; and
- Thirty-one (31) posts were envisaged for refinement of the approved structure and concurred with by Cabinet during March 2009, but not yet approved for implementation within the period under review.

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Of the two-hundred-and-two (202) posts upgraded -

- Two-hundred (200) posts were Community Development Worker posts upgraded from salary level 5 to level 6;
- One (1) post is that of Senior State Accountant upgraded from salary level 7 to level 8; and
- One (1) post is that of Record Manager upgraded from salary level 10 to level 11.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

TABLE 5.2 - PROFILE OF EMPLOYEES WHOSE SALARY POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Beneficiaries	African	Indian	Coloured	White	Total
Female	53	-	58	2	113
Male	32	-	52	1	85
Total	85	-	110	3	198
Employees with a disability					5

Of the one-hundred-and-ninety-eight (198) employees whose salary positions were upgraded on the approved establishment -

- one-hundred and ninety-six (196) employees occupy a post of community development worker;
- one (1) employee occupies a post of Senior Administrative Officer; and
- one (1) employee occupies a post of Records Manager.

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

TABLE 5.3 - PROFILE OF EMPLOYEES PER OCCUPATIONAL CLASSIFICATION WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
General Foreman	1	3	4	Rank-Leg-Promotion
Secretary	1	5	6	Rank-Leg-Promotion
Deputy Director	1	11	12	Rank-Leg-Promotion
Assistant Director	3	9	10/11	Rank-Leg-Promotion
Administrative Officer	2	7	8	Rank-Leg-Promotion
Administration Clerk	11	5	6	Rank-Leg-Promotion
Accounting Clerk	3	5	6	Rank-Leg-Promotion
Registry Clerk	5	4	6	Rank-Leg-Promotion
Deputy Director	1	11	12	Re-evaluation of post (Lower)
Assistant Director	1	9	10	Re-evaluation of post (Lower)
Administration Clerk	2	5	7/8	Retention
Principal Personnel Officer	1	7	8	Retention
Secretary	1	5	7	Retention
Deputy Director	3	11	12	Retention
Assistant Director	2	9	10	Retention
Chief Works Inspector	18	8	9	Retention
Administrative Officer	1	7	9	Retention
Project Coordinator	1	12	13	Retention
Senior Administrative Officer	1	8	11	Higher Salary Offered
Deputy Director	2	11	12	Higher Salary Offered
Chief Works Inspector	1	8	9	Higher Salary Offered
Appointment Secretary	1	9	12	Higher Salary Offered
Total	63	-	-	-
Percentage of total employment (721)				8.7%

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Definitions of deviations:

- Rank-Leg-Promotions - refers to officials promoted to the next salary level after completion of a specific qualifying period, prior to July 1999
- Re-evaluation of post (Lower) - refers to officials whose posts were downgraded as a result of re-evaluation, resulting into being declared “personal to incumbent”
- Retention - refers to officials who were retained in terms of DPSA circular dated 12 July 2001, with regard to “Interpretation of Public Service Regulations (2001), Chapter I, Part V, Paragraph C3, whereby the Executing Authority may set (award) a higher salary to the person than indicated by the job weight in order to attract/retain the service of a person, who possesses scarce or specific skills/ competencies.
- Higher Salary Offered - refers to cases where a higher salary was offered to key personnel in order to attract scarce and / specific skills

TABLE 5.4 -PROFILE OF EMPLOYEES PER RACE AND GENDER WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Beneficiaries	African	Indian	Coloured	White	Total
Female	3	-	10	10	23
Male	4	-	24	12	40
Total	7	-	34	22	63
Employees with a disability					Nil

6. Employment Changes

The following tables provide a summary of turnover rates by salary band and by critical occupation.

Appointments refer to applicants appointed from outside the government service. Transfers refer to employees who moved from one department to another - be it into this department or out of this department. Terminations refer to employees who left the government service. The figures include contract appointments.

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TABLE 6.1 - ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	Number of employees per band as on 1 April 2008	Appointments and Transfers into the department		Terminations and transfers out of the department		Turnover rate
		Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	
Lower skilled (Levels 1-2)	12	2	-	3	-	25%
Skilled (Levels 3-5)	351	62	13	41	6	13.4%
Highly skilled production (Levels 6-8)	155	27	15	12	8	12.9%
Highly skilled supervision (Levels 9-12)	125	38	11	30	13	34.4%
Senior Management Service Band A (Level 13)	18	4	-	5	1	33.3%
Senior Management Service Band B (Level 14)	3	1	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-
Total	667	134	39	91	28	17.84%
		173		119		

Of the one-hundred-and-seventy-three (173) appointments into the department -

- Fifty-eight (58) were permanent employees appointed in advertised posts;
- Seventy-six (76) were officials appointed on a contract basis; and
- Thirty-nine (39) were officials transferred to this department either through the application of advertised posts or lateral transfers.

Of the one-hundred-and-nineteen (119) terminations out of the department -

- Thirty-two (32) were permanent employees who left the service of the department due to the following:
 - Resignation from permanent position - twenty (20)
 - Severance package - one (1)
 - Ill health - two (2)
 - Retirement - five (5)
 - Death - four (4)

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- Fifty-nine (59) were contract officials who left the service of the department due to the following:
 - Contract expiries - forty-one (41)
 - Resignation - eighteen (18)
 - Twenty-eight (28) were permanent employees who left the service of the department due to being transferred to

TABLE 6.2 -ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	Number of employees per band as on 1 April 2008	Appointments and Transfers into the department		Terminations and transfers out of the department		Turnover rate
		Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	
Architect	1	3	-	-	-	
Building Project Manager	5	-	2	3	-	60%
Engineer	8	7	-	1	-	12.5%
Industrial Technician	2	3	-	2	-	100%
Urban Designer	3	-	-	-	-	-
Works Inspector	24	6	-	4	-	16.7%
Total	43	19	2	10	-	23.3%

Of the twenty-one (21) appointments into the department -

- Seven (7) were permanent employees appointed in advertised posts;
- Twelve (12) were officials appointed on a contract basis; and
- Two (2) were officials transferred to this department either through the application of advertised posts or lateral transfers.

Of the ten (10) terminations out of the department -

- Seven (7) were permanent employees who left the service of the department due to the following:
 - Resignation from permanent position - six (6)
 - Ill health - one (1)
- Three (3) were contract officials who left the service of the department due to the following:
 - Contract expiries - three (3)

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TABLE 6.3 - REASONS WHY STAFF LEFT THE DEPARTMENT FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Termination Type	Number	% of total
Death	4	3.3%
Expiry Of Contract	41	34.2%
Ill Health	2	1.7%
Resignation	38	31.9%
Retirement	5	4.2%
Severance Package	1	0.8%
Transfers to other Public Service Departments	28	23.5%
Total	119	100%
Total number of employees who left (119) as a % of the total employment (721)		16.5%

THE FOLLOWING ARE THE REASONS FOR RESIGNATIONS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Termination	Type Reason for Termination of Service	Number of Events
Resignations	• Better Remuneration	28
	• Absconded	2
	• Nature of Work	2
	• Other Occupation	1
	• Transfer of Spouse	1
	• Further studies	1
	• Reasons not mentioned	3
Total		38

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This section provides information on the different age groups with regard to personnel who retired from service for the period 1 April 2008 to 31 March 2009

Termination Type	Younger than 55	Ages 55 - 59	Ages 60 - 64	Age 65	Total
Retirements	-	1	4	-	5

TABLE 6.4 - PROMOTIONS BY SALARY BAND FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	Employees as at 1 April 2008	Promotions within the department to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	12	-	-	5	41.7%
Skilled (Levels 3-5)	351	3	0.9%	14	4.0%
Highly skilled production (Levels 6-8)	155	25	16.1%	90	58.1%
Highly skilled supervision (Levels 9-12)	125	31	24.8%	61	48.8%
Senior management (Levels 13-16)	24	1	4.2%	9	37.5%
Total	667	60	9%	*179	26.8%

*Progressions to another notch are those employees who qualified within the performance period 2007/08, but received the higher notch within the 2008/09 financial year.

TABLE 6.5 - PROMOTIONS BY CRITICAL OCCUPATION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Critical Occupation	Employees as at 1 April 2008	Promotions within the department to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Architect	1	-	-	1	100%
Building Project Manager	5	3	60%	-	-
Engineer	8	-	-	4	50%
Industrial Technician	2	1	50%	-	-
Urban Designer	3	-	-	1	33.3%
Works Inspector	23	2	8.7%	1	4.3%
Total	42	6	14.3%	*7	16.7%

*Progressions to another notch are those employees who qualified within the performance period 2007/08, but received the higher notch within the 2008/09 financial year.

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7. Employment Equity

TABLE 7.1 - TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2009

Occupational Categories	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Legislators, senior officials and managers	2	6	1	6	2	4	-	2	-	-	23
Professionals	58	96	2	23	67	90	2	18	6	4	366
Technicians and associate professionals	5	28	-	6	2	1	-	-	-	-	42
Clerks	32	49	2	8	55	97	2	23	-	-	268
Plant and machine operators and assemblers	3	-	-	-	-	-	-	-	-	-	3
Elementary occupations	-	7	-	1	1	1	-	1	-	-	10
TOTAL PERMANENT	100	186	5	44	126	193	4	44	6	4	712
* Non-permanent employees	3	1	-	-	1	3	-	1	-	-	9
GRAND TOTAL	103	187	5	44	127	196	4	45	6	4	721

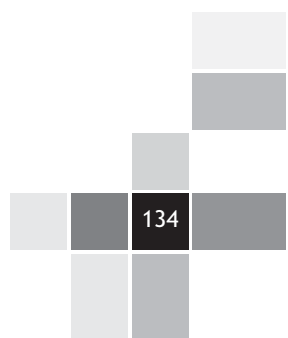
*Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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SUMMARY

Total African:	230	(31.90%)	Total Males: 345 (47.90%)
Number of African Males	103	(44.80%)	
Number of African Females	127	(55.20%)	
Total Coloured:	393	(54.50%)	Total Females: 376 (52.10%)
Number of Coloured Males (includes foreign nationals)	193	(49.10%)	
Number of Coloured Females (includes foreign nationals)	200	(50.90%)	
Total Indian:	9	(01.20%)	Total Disabled: 15 (02.08%)
Number of Indian Males	5	(55.60%)	
Number of Indian Females	4	(44.40%)	
Total White:	89	(12.40%)	Target
Number of White Males	44	(49.40%)	
Number of White Females	45	(50.60%)	
			African: 29.7%
			Coloured: 51.2%
			Indian: 0.9%
			White: 18.2%
			Males: 53.9%
			Females: 46.1%
			Disabled: 2%



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TABLE 7.2 - TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES IN EACH OF THE FOLLOWING OCCUPATIONAL CATEGORIES AS AT 31 MARCH 2009

Occupational Categories	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Legislators, senior officials and managers	-	-	-	-	-	1	-	-	-	-	1
Professionals	2	5	1	-	3	3	-	-	-	-	14
Technicians and associate professionals	-	-	-	-	-	-	-	-	-	-	-
Clerks	-	-	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-	-	-	-	-	-
TOTAL PERMANENT	2	5	1	-	3	4	-	-	-	-	15
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	2	5	1	-	3	4	-	-	-	-	15

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

Total Disabled: 15

- Number of employees certified and declared as disabled: 10
- Number of employees not yet certified but marked as disabled: 5

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TABLE 7.3 - TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS AT 31 MARCH 2009

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	1	2	1	-	-	2	-	1	-	-	7
Senior Management (Salary level 13)	1	4	-	6	2	2	-	1	-	-	16
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	7	15	-	10	2	7	-	10	6	4	61
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	21	58	2	15	20	39	2	12	-	-	169
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	68	101	2	12	102	142	2	19	-	-	448
Unskilled and defined decision making (Salary levels 1 - 3)	2	6	-	1	-	1	-	1	-	-	11
TOTAL PERMANENT	100	186	5	44	126	193	4	44	6	4	712
* Non-permanent employees	3	1	-	-	1	3	-	1	-	-	9
GRAND TOTAL	103	187	5	44	127	196	4	45	6	4	721

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.4 - TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES IN EACH OF THE FOLLOWING OCCUPATIONAL BANDS AS AT 31 MARCH 2009

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	-	-	-	-	-	1	-	-	-	-	1
Senior Management (Salary level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	-	1	1	-	-	2	-	-	-	-	4
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	2	4	-	-	3	1	-	-	-	-	10
Unskilled and defined decision making (Salary levels 1 - 3)	-	-	-	-	-	-	-	-	-	-	-
TOTAL PERMANENT	2	5	1	-	3	4	-	-	-	-	15
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	2	5	1	-	3	4	-	-	-	-	15

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.5 - RECRUITMENTS (INCLUDING THOSE WITH DISABILITIES) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Recruitments” reflect those positions, which were filled from applications from outside the Government Service.

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	1	-	-	-	-	1	-	-	-	-	2
Senior Management (Salary level 13)	1	2	-	-	-	-	-	-	-	-	3
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	3	-	-	1	-	2	-	1	6	4	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	10	7	-	1	3	5	-	1	-	-	27
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	18	9	1	2	16	27	-	4	-	-	77
Unskilled and defined decision making (Salary levels 1 - 3)	2	-	-	-	-	-	-	-	-	-	2
TOTAL PERMANENT	35	18	1	4	19	35	-	6	6	4	128
* Nonpermanent employees	1	1	-	-	-	2	-	2	-	-	6
GRAND TOTAL	36	19	1	4	19	37	-	8	6	4	134

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.6 - RECRUITMENTS WITH DISABILITIES FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Recruitments” reflect those positions, which were filled from applications from outside the Government Service.

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	-	-	-	-	-	-	-	-	-	-	-
Senior Management (Salary level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	-	-	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Salary levels 1 - 3)	-	-	-	-	-	-	-	-	-	-	-
TOTAL PERMANENT	-	-	-	-	-	-	-	-	-	-	-
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	-	-	-	-	-	-	-	-

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

OVERSIGHT REPORT

TABLE 7.7 - PROMOTIONS (INCLUDING EMPLOYEES WITH DISABILITIES) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Promotions” reflect those positions, which were filled from within the department.

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	-	-	-	-	-	-	-	-	-	-	-
Senior Management (Salary level 13)	-	-	-	1	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	2	3	-	1	1	1	-	2	-	-	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	4	11	-	2	3	9	-	3	-	-	32
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	4	1	-	1	2	9	-	-	-	-	17
Unskilled and defined decision making (Salary levels 1 - 3)	-	-	-	-	-	-	-	-	-	-	-
TOTAL PERMANENT	10	15	-	5	6	19	-	5	-	-	60
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	10	15	-	5	6	19	-	5	-	-	60

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.8 - PROMOTIONS WITH DISABILITIES FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Promotions” reflect those positions, which were filled from within the Department

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	-	-	-	-	-	-	-	-	-	-	-
Senior Management (Salary level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	-	-	-	-	-	1	-	-	-	-	1
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Salary levels 1 - 3)	-	-	-	-	-	-	-	-	-	-	-
TOTAL PERMANENT	-	-	-	-	-	1	-	-	-	-	1
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	-	-	1	-	-	-	-	1

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.9 - TERMINATIONS (INCLUDING EMPLOYEES WITH DISABILITIES) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Terminations” reflect those positions, which were vacated by employees who left the Government Service.

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management (Salary levels 14-16)	-	-	-	-	-	-	-	-	-	-	-
Senior Management (Salary level 13)	3	1	-	-	-	-	-	1	-	-	5
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	4	1	-	5	-	2	-	2	-	-	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	5	3	-	2	-	4	-	1	-	-	15
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	14	8	-	2	9	18	-	1	-	-	52
Unskilled and defined decision making (Salary levels 1 - 3)	2	1	-	-	-	1	-	-	-	-	4
TOTAL PERMANENT	28	14	-	9	9	25	-	5	-	-	90
* Non-permanent employees	-	-	-	-	-	1	-	-	-	-	1
GRAND TOTAL	28	14	-	9	9	26	-	5	-	-	91

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.10 - TERMINATIONS WITH DISABILITIES FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Terminations” reflect those positions, which were vacated by employees who left the Government Service.

Occupational Bands	Designated								Non-designated		Total
	Male			Female					Foreign Nationals		
	African	Coloured	Indian	African	Coloured	Indian	White	White	Male	Female	
Top Management (Salary levels 14-16)	-	-	-	-	-	-	-	-	-	-	-
Senior Management (Salary level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	-	-	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Salary levels 1 - 3)	-	-	-	-	-	-	-	-	-	-	-
TOTAL PERMANENT	-	-	-	-	-	-	-	-	-	-	-
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	-	-	-	-	-	-	-	-	-	-	-

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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TABLE 7.11 - DISCIPLINARY ACTION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Occupational Bands	Designated								Non-designated		Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
	14	14	-	1	7	9	-	-	-	-	

TABLE 7.12 - SKILLS DEVELOPMENT FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Skills development” reflects the total number of permanent officials and contract appointees, trained in one or more of the various programmes and other short courses, as well as Learners trained as Community Development Workers and those who received training as provided by external providers.

Occupational Bands	Designated										Total
	Male				Female				Foreign Nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
	Top Management (Salary levels 14-16)	1	2	1	-	-	2	-	1	-		-	7
Senior Management (Salary level 13)	2	4	-	4	2	1	-	2	-	-	15
Professionally qualified and experienced specialists and middle management (Salary Levels 11 - 12)	5	12	-	8	3	6	-	8	3	1	46
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 - 10)	18	40	2	9	16	23	1	7	-	-	116
Semi-skilled and discretionary decision making (Salary levels 4 - 7)	42	43	2	9	58	77	1	11	-	-	243
Unskilled and defined decision making (Salary levels 1 - 3)	2	1	-	-	-	1	-	1	-	-	5
TOTAL PERMANENT	70	102	5	30	79	110	2	30	3	1	432
* Non-permanent employees	-	-	-	-	-	-	-	-	-	-	
GRAND TOTAL	70	102	5	30	79	110	2	30	3	1	432

* Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.

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8. Performance Agreements and Performance Rewards

The Department concluded Performance Agreements with the following SMS Members. The information is presented in terms of the various SMS Levels within the department.

TABLE 8.1 - PERFORMANCE AGREEMENTS BY SMS MEMBERS AS ON 30 SEPTEMBER 2008

SMS Level	Total Number of Funded SMS Posts per level	Total Number of SMS Members per level	Total Number of Signed Performance Agreements per level	Signed Performance Agreements as % of Total Number of SMS Members per level
Band A (Level 13)	18	18	18	100%
Band B (Level 14)	4	4	4	100%
Band C (Level 15) but not Head of Department	2	2	2	100%
Band D (Level 16) Head of Department	1	1	1	100%
Total	25	25	25	100%

There were two (2) SMS officials who signed their performance agreements, but left the department before 30 September 2008:

- Director Customer Relations and Communications: Mr ZM Silinga (End date 05 September 2008)
- Director Policy and Strategy: Mr MM Mpozana (End date 18 August 2008)

TABLE 8.2 - REASONS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS FOR ALL SMS MEMBERS AS ON 30 SEPTEMBER 2008

Reasons for not having concluded Performance Agreements for all SMS Members
None

TABLE 8.3 - DISCIPLINARY STEPS TAKEN AGAINST SMS MEMBERS FOR NOT HAVING CONCLUDED PERFORMANCE AGREEMENTS AS ON 30 SEPTEMBER 2008

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None

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Performance Rewards

The Department granted the following performance rewards. The information is presented in terms of race, gender, and disability, salary bands and critical occupations.

TABLE 8.4 - PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Gender and Race Distribution	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees as at 31 March 2008 in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African	55	208	26.4%	330	6
Male	25	97	25.8%	169	7
Female	30	111	27.0%	161	5
Coloured	154	346	44.5%	921	6
Male	81	169	47.9%	490	6
Female	73	177	41.2%	431	6
Indian	0	7	0.0%	0	0
Male	0	3	0.0%	0	0
Female	0	4	0.0%	0	0
White	54	92	58.7%	568	11
Male	27	48	56.3%	343	13
Female	27	44	61.4%	225	8
Employees with a disability	3	14	21.4%	56	19
Total	**266	*667	39.9%	1,875	7

* The performance rewards allocated to personnel were for the performance period 2007/08 but paid in the financial year 2008/09.

** The figure indicated in the above table reflects on the organisational structure as at 31 March 2008.

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TABLE 8.5 - PERFORMANCE REWARDS BY SALARY BANDS FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees as at 31 March 2008	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R144,107
Lower skilled (Levels 1-2)	6	12	50.0%	15	1	0.0%
Skilled (Levels 3-5)	31	351	8.8%	111	0	0.1%
Highly skilled production (Levels 6-8)	135	155	87.1%	641	4	0.4%
Highly skilled supervision (Levels 9-12)	88	125	70.4%	911	7	0.6%
Total	*260	**643	40.4%	1,678	3	1.2%

* The performance rewards allocated to personnel were for the performance period 2007/08 but paid in the financial year 2008/09.

** The figure indicated in the above table reflects on the organisational structure as at 31 March 2008.

TABLE 8.6 - PERFORMANCE REWARDS BY CRITICAL OCCUPATIONS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees as at 31 March 2008	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R144,107
Architect	1	1	100.0%	11	11	0.0%
Building Project Manager	2	5	40.0%	18	4	0.0%
Engineer	5	8	62.5%	69	9	0.0%
Industrial Technician	1	2	50.0%	8	4	0.0%
Urban Designer	2	3	66.7%	33	11	0.0%
Works Inspector	10	24	41.7%	81	3	0.1%
Total	*21	**43	48.8%	220	5	0.2%

* The performance rewards allocated to personnel were for the performance period 2007/08 but paid in the financial year 2008/09.

** The figure indicated in the above table reflects on the organisational structure as at 31 March 2008.

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TABLE 8.7 - PERFORMANCE RELATED REWARDS (CASH BONUS), BY SALARY BAND, FOR SENIOR MANAGEMENT SERVICE FOR THE PERIOD 1 APRIL 2007 TO 31 MARCH 2008

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees as at 31 March 2008	% of total within band	Total Cost (R'000)	Average cost per employee (R'000)	Personnel Cost as a % of the SMS cost R17,073
Band A (Level 13)	5	17	29.4%	142	28	0.8%
Band B (Level 14)	-	4	-	-	-	-
Band C (Level 15)	-	2	-	-	-	-
Band D (Level 16)	1	1	100.0%	46	46	0.3%
Total	*6	**24	25.0%	188	31	1.1%

* The performance rewards allocated to personnel were for the performance period 2007/08 but paid in the financial year 2008/09.

* The figure indicated in the above table reflects on the organisational structure as at 31 March 2008.

9. Foreign Workers

TABLE 9.1 - FOREIGN WORKERS BY SALARY BAND FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Salary Band	1 April 2008		31 March 2009		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	1	50%	10	100%	9	112.50%
Senior Management (Levels 13 to 16)	1	50%	-	-	-1	-12.50%
Total	2	100%	10	100%	8	100%

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TABLE 9.2 - FOREIGN WORKERS BY MAJOR OCCUPATION FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Major Occupation	1 April 2008		31 March 2009		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative related	1	50%	-	-	-1	-12.5%
Architects, Town- and Regional Planners	-	-	3	30%	3	37.5%
Engineers and Related Professionals	-	-	7	70%	7	87.50%
Managerial Related	1	50%	-	-	-1	-12.50%
Total	2	100%	10	100%	8	100%

10. Leave utilisation for the period 1 January 2008 to 31 December 2009

Leave is administered by calendar year and not per financial year. The statistics is therefore given per leave cycle.

The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

TABLE 10.1 - SICK LEAVE FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008

Salary Band	Total days	Total days certified	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	99	79	79.8%	11	2.14%	9	19
Skilled (Levels 3-5)	1,135	918	80.9%	132	25.68%	9	322
Highly skilled production (Levels 6-8)	1,846	1,534	83.1%	223	43.39%	8	820
Highly skilled supervision (Levels 9-12)	909	750	82.5%	130	25.29%	7	766
Senior management (Levels 13-16)	82	63	76.8%	18	3.50%	5	126
Total	4,071	3,344	82.1%	514	100%	8	2,053

Sick leave taken by contract workers is included in these figures.

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**TABLE 10.2 - DISABILITY LEAVE FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008
MORE THAN 36 DAYS**

Salary Band	Total days	Total days certified	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-	-
Skilled (Levels 3-5)	66	66	100%	4	50.00%	17	19
Highly skilled production (Levels 6-8)	129	129	100%	2	25.00%	65	51
Highly skilled supervision (Levels 9-12)	100	100	100%	2	25.00%	50	110
Senior management (Levels 13-16)	-	-	-	-	-	-	-
Total	295	295	100%	8	100%	37	180

TABLE 10.3 - ANNUAL LEAVE FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008

Salary Band	Total days taken	Number of employees using annual leave as at 31 December 2007	Average per employee
Lower skilled (Levels 1-2)	218	11	20
Skilled (Levels 3-5)	2,481	159	16
Highly skilled production (Levels 6-8)	6,701	367	18
Highly skilled supervision (Levels 9-12)	3,815	203	19
Senior management (Levels 13-16)	631	31	20
Total 1	13,846	771	18

Employees are allocated 22 or 26 working days annual leave, depending on their length of service. Unused leave of a cycle can be utilised within the first six months of the next year. Hence leave taken might exceed the allocated 22 or 26 working days. Leave taken by contract workers is included in the statistics.

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TABLE 10.4 - CAPPED LEAVE FOR THE PERIOD 1 JANUARY 2008 TO 31 DECEMBER 2008

Salary Band	Number of employees <i>who has capped leave</i> as at 31 December 2008	Total days of capped available as at 31 December 2008	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008
Lower skilled (Levels 1-2)	6	177	55	9	30
Skilled (Levels 3-5)	7	115	150	21	16
Highly skilled production (Levels 6-8)	87	3,834	411	5	44
Highly skilled supervision (Levels 9-12)	69	3,549	661	10	51
Senior management (Levels 13-16)	9	847	10	1	94
Total	178	8,522	1,287	7	48

TABLE 10.5 - LEAVE PAYOUTS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2007/08 due to non-utilisation of leave for the previous cycle	76	2	38
Leave payouts for 2008/09 due to Long Service Recognition for 20/30 years service	149	25	6
Capped leave payouts on termination of service for 2008/09	864	51	17
TOTAL	1,089	78	14

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11. HIV/AIDS & Health Promotion Programmes

TABLE 11.1 - Steps taken to reduce the risk of occupational exposure for the period 1 April 2008 to 31 March 2009

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The Department has an HIV and AIDS Workplace Programme which includes the following: <ul style="list-style-type: none">• Prevention• Treatment• Access to Justice / Human Rights• Monitoring and evaluation	The normal programmes within the Department, as stipulated in Question 3, 5, 6, 7 and 8 below, apply.

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TABLE 11.2 - DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES FOR THE PERIOD
1 APRIL 2008 TO 31 MARCH 2009

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		<ul style="list-style-type: none"> • Mr GK Erasmus (SMS) • Ms M Calitz (HIV/AIDS Coordinator)
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>Sub-Directorate: Transformation Management</p> <ul style="list-style-type: none"> • 1 Deputy Director • 1 Assistant Director • 2 Admin Officers • 1 Admin Clerk <ul style="list-style-type: none"> • The Provincial Department of Health procured a service provider for the VCT and Education and Awareness • Total Annual Budget for Sub-directorate includes Transformation - no separate budget
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.	✓		<ul style="list-style-type: none"> • Two programmes are in place The first one (HIV & AIDS Workplace Programme) addresses prevention, treatment, care and support, policy formulation; and monitoring and evaluation. The second one (Employee Assistance Programme) provides support relating to HIV & AIDS in the form of counseling and medical advice. The key components of both of these Programmes are highlighted below: • Information stands based on prevention and treatment (9 for the year engaging with 317 employees) • Information sessions (including a walkabout) based on prevention and treatment (8 for the year engaging with 450 employees) • Condom distribution based on prevention and treatment: <ul style="list-style-type: none"> - Provision of condoms throughout the year and available during information sessions

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Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> • Regular monitoring and evaluation of the Programmes in terms of attendance and evaluation forms • Additional components of the Programmes are listed below: <ul style="list-style-type: none"> - Protocol for occupational exposure to blood-borne pathogens. - Care and support - Employee Assistance Programme - Unlimited 24/7 Telephonic counseling - Face to face counseling (6-8 sessions per issue) for staff and immediate family - Life management counseling (HIV & AIDS, Stress, etc) - Increase in utilization from 17.4% (2007/08) to 22.4% for 2008-2009 • E Care Programme • Referral to appropriate service providers are facilitated in-house where indicated • Promotional material provided by service provider at all sessions
<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>The Department has an established Human Rights and Employee Wellness Committee (HREW) that monitors Programmes and interventions related to HIV and AIDS in an integrated manner. This Committee meets on a quarterly basis and the names of Committee members are included below:</p> <ul style="list-style-type: none"> • Ms M Calitz - Deputy Director / Chairperson • Ms I Britz - Deputy Director (HRM) • Mr G Gray - Housing Delivery & Disability Representative • Mr C Hansby - Auxiliary Services / OHS • Ms R Vlok - External Human Rights Committee

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Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> • Ms P Mothibi - Assistant Director: Transformation Management • Mr D Swanson - Assistant Director: Labour Relations • Mr M Gontsana - NEHAWU Representative • Mr S Moolman - PSA Representative • Mr M Daniel -Secretariat • Ms N Tabohane -Secretariat
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, are the employment policies/ practices so reviewed?	✓		<ul style="list-style-type: none"> • An Employment Equity Forum exist in the Department and is monitoring equity in execution of Employment related Policies which includes possible HIV discrimination.
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.	✓		<ul style="list-style-type: none"> • Transversal HIV & AIDS policy applies • Departmental HIV & AIDS Workplace Programme (prevention, treatment, care and support, policy formulation and monitoring and evaluation) • Review of the HIV & AIDS Workplace Programme • HREW Committee which monitors the HIV & AIDS Workplace Programme • Quarterly education and information stands, ongoing awareness campaigns, information dissemination aimed at sensitizing staff towards the elimination of stigma • Monitoring by Employment Equity Forum
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have achieved.	✓		<p>Yes, the Department does encourage employees to undergo Voluntary Counselling and Testing as part of the HIV & AIDS Workplace Programme which included the following:</p> <ul style="list-style-type: none"> • Eight (8) education and awareness sessions • Nine (9) information stands • Six (6) VCT clinics • Fifty-eight (58) employees tested
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures / indicators.	✓		<ul style="list-style-type: none"> • Records of the number of employees that attended the various interventions are kept • The EAP Quarterly Report • Feedback following an intervention / session • Quarterly reporting on deliverables.

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12. Labour Relations

TABLE 12.1 - TYPES OF COLLECTIVE AGREEMENTS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Subject Matter	Date
* Ditcom Policy	10 September 2008
* Employment Equity & Affirmative Action Plan (EE-Plan)	10 September 2008

* Referrals to IMLC (Institutional Management and Labour caucus)

TABLE 12.2 - MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Category	Outcomes of disciplinary hearings	Number	% of total
Informal	Correctional counselling	9	20.0%
	Verbal warning	4	8.9%
Formal	Written warning	22	48.9%
	Final written warning	2	4.5%
	Dismissal	2	4.5%
	Case withdrawn	6	13.2%
Total		*45	100%

* The above total (45) is a combination of formal and informal disciplinary actions and sanctions.

TABLE 12.3 - TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Type of misconduct	Number	% of total
Poor performance- non incapacity	-	-
Dishonesty	1	100%
Wilfully or negligently mismanages finances	-	-
Transgression of leave policy	-	-
Total	1	100%

TABLE 12.4 - GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Grievances Lodged	Number	% of total
Resolved	3	60%
Not Resolved	2	40%
Total	5	100%

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TABLE 12.5 - DISPUTES LODGED FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Disputes Lodged	Number	% of total
Condonation ruling(awaiting) conciliation	-	-
Conciliation(deadlocks)	1	50%
Arbitrations	1	50%
Total	2	100%

TABLE 12.6 - STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Strike Actions	Number
Total number of person working days lost	-
Total cost(R'000) of working days lost	R0
Amount (R'000) recovered as a result of no work no pay	R0

TABLE 12.7 - PRECAUTIONARY SUSPENSIONS (NOT SANCTIONS) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Precautionary Suspensions	Number
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	51
Cost (R'000) of suspensions	*R73,000

* The cost (R'000) of suspensions consist of Basic Salaries paid, Housing-, Medical- and Pension subsidies, Regional Service Council levies, Non-pensionable Allowance and Public Service Co-ordinating Bargaining Chamber levies, over the period 1 April 2008 till 31 March 2009.

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13. Skills development

The tables reflect the training needs as at the beginning of the period under review, and the actual training provided. The Cape Administrative Academy (CAA) at the Provincial Administration Western Cape presents skills programmes and other short courses. The other forms of training reflect training provided by external providers, e.g. computer training, job-specific courses, etc.

TABLE 13.1 - TRAINING NEEDS IDENTIFIED FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Occupational Category	Gender	Number of employees as at 1 April 2008	Training needs identified at start of reporting period			
			Learner ships	Skills Programmes & other short courses (CAA)	Other forms of training (External Providers)	Total
Legislators, senior officials and managers	Female	8	-	3	6	9
	Male	16	-	3	10	13
Professionals	Female	164	-	120	190	310
	Male	159	-	95	140	235
Technicians and associate professionals	Female	3	-	5	10	15
	Male	42	-	40	105	145
Clerks	Female	164	-	157	250	407
	Male	95	-	112	150	262
Craft and, related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators & assemblers	Female	-	-	-	-	-
	Male	2	-	15	2	17
Elementary occupations	Female	3	-	7	3	9
	Male	11	-	35	3	38
Sub Total	Female	342	-	292	459	750
	Male	325	-	300	410	710
Total		*667	-	592	869	1,460

* The total here reflects six-hundred-and-forty-six (646) permanent employees and twenty-one (21) contract officials (additional to the approved establishment)

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TABLE 13.2 - TRAINING PROVIDED FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

“Training provided” reflects various interventions in skills programmes and other short courses, as well as external (outsourced) training courses.

Occupational Category	Gender	Number of employees as at 1 April 2008	Training needs identified at start of reporting period			
			Learner ships	Skills Programmes & other short courses (CAA)	Other forms of training (External Providers)	Total
Legislators, senior officials and managers	Female	8	-	2	8	10
	Male	15	-	2	12	14
Professionals	Female	182	-	55	99	154
	Male	187	-	40	111	151
Technicians and associate professionals	Female	3	-	1	9	10
	Male	40	-	15	49	64
Clerks	Female	181	-	115	170	285
	Male	92	-	50	120	170
Craft and, related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators & assemblers	Female	-	-	-	-	-
	Male	3	-	1	-	1
Elementary occupations	Female	2	-	1	1	2
	Male	8	-	2	4	6
Sub Total	Female	376	-	174	287	461
	Male	345	-	110	296	406
Total		721*	-	284	583	867

* The total here reflects six-hundred-and-fifty-five (655) permanent employees and sixty-six (66) contract officials (additional to the approved establishment).

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14. Injury on duty

TABLE 14.1 - INJURY ON DUTY FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Nature of injury of duty	Number	% of total
Required basic medical attention only	3	100%
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	3	100%

15. Utilisation of Consultants

TABLE 15.1 - REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Nil			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Nil			

TABLE 15.2 - ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI'S) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

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

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TABLE 15.3 - REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

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

TABLE 15.4 - ANALYSIS OF CONSULTANT APPOINTMENTS USING DONOR FUNDS, IN TERMS OF HISTORICALLY DISADVANTAGED INDIVIDUALS (HDI'S) FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

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

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