



LOCAL GOVERNMENT AND HOUSING  
**ANNUAL REPORT**



**2 0 0 3**

FREE STATE PROVINCE



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## PART 1: GENERAL INFORMATION

The Annual Report for the Department of Local Government and Housing was presented to the MEC, Mr Lechesa Tsenoli, by the accounting officer and Head of the Department Mr MS Msibi.

### FROM THE MEC'S DESK



The Department has achieved reasonable success during the year under review. We have made progress in consolidating and stabilising our department both internally and externally. The department is maturing and it is in a better position to articulate into the integrated system of government. The net result of this is that, through partnership with various stakeholders, we are able to focus on the critical aspects of improving service delivery.

In response to the legislative (Legislature's) call for accountability we have participated consistently and fruitfully in the Executive Council meets the people campaign. It is at such forums that we have had the privilege to interact with people and respond to their many queries about their needs and concerns. These platforms have afforded us the opportunity to inform the people about the successes and challenges facing the department

We have piloted important pieces of legislation with commendable co-operation of the portfolio committee on Local Government and Housing.

We have also focused on the integrated governance approach as evidenced by improving coherence to the relations between the three spheres of government. We are responding to and creating a better environment for service delivery and sustainable development.

The report accounts for our commitments and how we were able to implement and achieve them. We are motivated to honour our challenges, particularly, since we have been given a clean bill of financial health. This is gratifying but also compels us to translate our performances onto every area of work.

We have to attend to the wellness of our staff vigorously as this would translate into improved service delivery. We need to pay greater attention to the evaluation of departmental efforts in addressing HIV/AIDS. It is our collective responsibility as managers and leader in the department to ensure overall employee awareness and wellness.

The annual review is put together by a group of dedicated, hard-working professionals at the department. Finally, I want to thank everyone in the department for making meaningful contribution towards achieving our objectives.

This is a truly remarkable department to be associated with.

Mr Lechesa Tsenoli

**MEMBER OF THE EXECUTIVE COUNCIL: LOCAL GOVERNMENT AND HOUSING**

## OVERVIEW BY THE HEAD OF THE DEPARTMENT

The year under review presented numerous trying challenges and simultaneously offered equally fulfilling opportunities to the department. These were approached with determination and overall zest of the department's desire to lead in service delivery.



### Challenges

The most challenging task for the department has been its endeavour to populate the organizational structure to its full compliment. Second on our list of challenges was the need to entrench change in the organizational culture in response to new challenges. In a quest to achieve our strategic objectives, we needed to align the culture of change with the strategic plan. This change in culture took the form of integration across line functions, motivation of staff, instilling accountability, responsibility, cost effectiveness, discipline and overall ownership of the core business of the department.

Despite a number of teething problems experienced, the department surpassed expectations in delivering on its mandate.

### Local governance

The constitution necessitates the department to promote the development of local government capacity in order for municipalities to perform their functions efficiently. In addition, the department provides for monitoring

and support of local governance. To this end we recorded the following successes:

- Assisted municipalities to rationalise municipal by-laws
- Facilitated the platform for learning networks e.g. Local Government Review
- Facilitated the compilation of policy, guidelines and regulations to deal with monitoring and determination of new municipal and transitional models
- Facilitated the roll out plan for free basic services in the province
- Outreach programmes were undertaken by the department in collaboration with SALGA Free State, focusing on challenges presented by the Systems Act and Structures Act
- Facilitated acceleration of establishment of Ward Committees to provide a vehicle for community involvement
- Pilot initiatives on new Performance Management Systems were undertaken in three municipalities.

Our passion to build financially viable municipalities warranted enlisting of professional expertise from various service providers. Their brief was, among others, to assist municipalities in compiling financial statements, developing policy on revenue collection and Indigent Policy. Consequent to these interventions the financial management situation in various municipalities has improved significantly.

### Housing

In our quest to deliver affordable housing for destitute families we mobilised a number of partners who were committed to pursue the noble objective of government in eradicating homelessness and spatial distortion created by the legacy of apartheid. Our partnership with the German Technical Cooperation, (GTZ) and the Urban Upgrading and Development Programme (UUDP), continued to provide technical support and capacity building for various municipalities in the province. The National Urban Reconstruction and Housing Agency (NURCHA)'s efforts to instil pride in property

ownership continued unabated. The agency seeks to encourage individuals to save money in order to build their own houses. This endeavour saw the emergence of a number of saving schemes and various organisations embrace this initiative which mainly drew the attention of women in the province.

Our noble belief in the notion of Vuk'uzenzele accounts for our robust mobilisation and facilitating of People Housing Process (PHP). This process entails equipping housing beneficiaries with skills to build their own houses. It is envisaged that the development of such skills would subsequently contribute to economic development on the said areas through self-employment. Most communities took up the challenge and all municipalities now boast hands-on Housing Support Centres in their areas. These serve to coordinate the building process and provide labour and materials for the construction of houses.

In order to intensify our efforts in housing initiatives, the department, through the National Department of Housing, entered into a partnership with the Republic of Cuba. This agreement will result in a delegation of five Cuban professionals, engineers and architects of extensive experience in housing construction, joining the department to assist and transfer skills in the People Housing Process initiative.

The department initiated the compilation of Housing Sector Plans in five municipalities viz. Mohokare, Matjhabeng, Metsimaholo, Mangaung and Maluti-a-Phofung.

The initiative mentioned above was one of the applauded plans in our history of housing delivery and planning. The Free State is the only province that has taken this gigantic leap.

#### **Disaster management**

Disasters have, throughout our history, impacted heavily on human, material and physical resources while not sparing the environment. With these realities in mind, the department developed strategies to minimise the severity and impact of the disasters.

Disaster management strategies developed include among others:

- Provision of an effective disaster response plan
- Provision for the recovery of affected communities
- Ensuring the preparedness of municipalities and communities.

Strategies developed by the department assisted greatly when disaster struck at Kutlwanong, Makeleketla (windstorm) and Masilonyana (heavy windstorm) municipalities to name a few.

The challenges encountered during the year under review inspired more determination, zeal and enthusiasm to tackle the challenges that lie ahead of us in the new financial year.



Mr. MS Msibi

**HEAD: LOCAL GOVERNMENT AND HOUSING**

Date: 23 June 2003

## VISION AND MISSION STATEMENTS

### VISION

To be a leader  
in the provincially integrated management  
of Local Government and Housing

### MISSION STATEMENT

The Department of Local Government and Housing's  
mission  
is to provide a provincially integrated Local Governance  
and Housing Management framework  
in pursuit of effective local governance  
for a better life for all  
in the Free State Province.





## STRATEGIC GOALS

The department aims to ensure effective:

- Provincial Regulatory Framework
- Capacity Interventions
- Resource Management Framework
- Communication Framework
- Stakeholder Management Framework, and to
- Achieve Departmental Excellence

## OUR VALUES

To ensure  
that the vision and mission of the department  
is reflected, through its strategic goals,  
the following values apply:

Our work will be driven by the needs of those we serve.

We will at all times show empathy,  
be people oriented,  
constantly show compassion,  
project positive attitudes,  
be collaborative,  
remain results oriented,  
and stay proactive.



## LEGISLATIVE MANDATE

### The Legal Framework under which this Department operates

- **Public Finance Management Act No. 1 of 1999 (as amended by Public Finance Management Amendment Act No. 29 of 1999)**

To regulate financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith.

- **Division of Revenue Act No. 5 of 2002**

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2002/2003 financial year; to provide for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.

- **Conversion of Certain Rights into Leaseholds or Ownership Act No. 81 of 1988**

This Act provides for the conversion of certain rights of occupation issued to a holder of a site situated in a township -whether such township has been formalised or not- established under the now revoked Black Communities Act 4 of 1984, into leasehold or ownership. The Act therefore makes provision for the determination of affected sites or persons; an inquiry into affected sites; grievance (appeal) procedures; and the issuing of leaseholds or transfer of ownership.

- **Black Communities Development Act No. 4 of 1984**

The Act was repealed save for Chapter 6 and the Regulations thereto. As will appear from the above paragraph, this Act is the principal Act 81 of 1988 and makes provision for the designation of certain areas as development areas and makes provision for township establishment.

- **Upgrading of Land Tenure Rights Act No. 112 of 1991**

This Act makes provision for the upgrading of informal rights, viz., the deeds of grant, leaseholds and quitrent title permission to occupy.

- **Interim Protection of Informal Land Rights Act**

This Act recognises certain informal rights to land. One of the functions of the section is to resettle people who are unlawfully occupying land. In the process, it is incumbent on the section to ensure that the informal rights to land are recognized in the process of such resettlement.

- **Physical Planning Act No. 125 of 1991**

This includes the granting of permits for change in land usage on agricultural land, amendment of Guide Plans and the evaluation of consistency regarding land development.

- **The Housing Act No. 107 of 1997**

Through its legislation, existing and future, and the Housing Code, the Department of Housing is carrying out its legislative imperative as set out in the Housing Act, 1997. Section 2 of the Housing Act, 1997 (Act No. 107 of 1997) compels all three spheres of government to give priority to the needs of the poor in respect of housing development (section 2(1)(a)). In addition all 3 spheres of government must ensure that housing development –

- provides as wide a choice of housing and tenure options as is reasonably possible;
- is economically, fiscally, socially and financially affordable and sustainable;

- (iii) is based on integrated development planning; and
- (iv) is administered in a transparent, accountable and equitable manner; and upholds the practice of good governance (Section 2(1)(c)).

- **Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998**

The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.

- **The Housing Consumers Protection Measures Act of 1998**

The Act provides for the establishment of a statutory regulating body for home builders. The National Home Builders Registration Council will register every builder and regulate the home building industry by formulating and enforcing a code of conduct. The implementation of the Act is monitored continuously.

- **The Rental Housing Act of 1999**

This Act repeals the Rent Control Act of 1976 and defines Government's responsibility for rental housing property. It creates mechanisms to promote the provision of rental housing and the proper functioning of the rental housing market. To facilitate sound relations between tenants and landlords, it lays down general requirements for leases and principles for conflict resolution in the rental housing sector. It also makes provision for the establishment of Rental Housing Tribunals and defines the functions, powers and duties of such Tribunals. Provincial housing departments are establishing Rental Housing Tribunals.

- **Home Loan and Mortgage Disclosure Act of 2000**

The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identities discriminatory lending patterns. The act will come into operation during 2003.

- **Subdivision of Agricultural Land Act No. 70 of 1970**

This Act is used for Town Planning advice to the Department of Land Affairs on the subdivision of agricultural land.

- **The Development Facilitation Act No. 67 of 1995**

This Act provides directive principles to guide the drafting, adoption and implementation of all policies and legislation for all spheres of government regulating spatial planning, land use management and land development.

- **The Townships Ordinance No. 9 of 1969**

This Ordinance is used for the establishment of towns, subdivision and consolidation, amendment of the general plan and the amendment of town-planning schemes. The townships board is also instituted in terms of this ordinance.

- **The Removal of Restrictions Act No. 84 of 1967**

In terms of this act land use is changed either by means of title conditions or rezoning.

- **The Less Formal Township Establishment Act No. 113 of 1991**

This Act is specifically for guiding rapid township establishment where housing is in dire need.

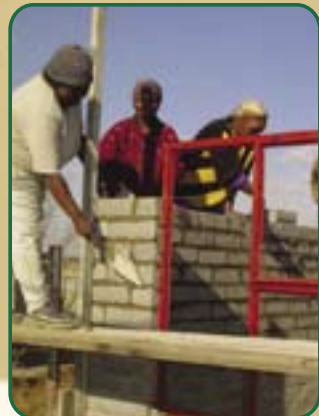
- **The Physical Planning Act No. 125 of 1991**

This Act governs the use other than agriculture on farmland and these applications are normally for farmers who may wish to conduct a small butchery or shop on the farm.

- **Development Facilitation Act No. 67 of 1995**  
The principles of this Act guide all land development issues and all applications must address these principles.
- **House of Traditional Leaders Act No. 6 of 1994**
- **Qwa-Qwa Pounds Act No. 4 of 1974**
- **Qwa-Qwa Levying of Tribal Taxes Act No. 6 of 1983**
- **Qwa-Qwa Administration Authorities Act No. 6 of 1983**
- **Bophuthatswana Registration of Customary Unions Act No. 4 of 1976**
- **Bophuthatswana Traditional Authorities Act No. 23 of 1978**
- **Bophuthatswana Traditional Courts Act No. 29 of 1979**
- **Black Administration Act No. 38 of 1927**
- **Regulations relating to community service in Black Areas Act No. 38 of 1927**
- **The Constitution of the Republic of South Africa 1996**
- **Local Government Transition Act of 1993**
- **Municipal Systems Act of 2000**
- **Municipal Demarcation Act of 1998**
- **Municipal Structures Act of 2000**
- **Commissions Ordinance of 1954**
- **Auditor General Act of 1995**
- **Remuneration of Public Office Bearers Act of 1998**
- **Access to Information Act of 2000.**

PART 2

# DEPARTMENTAL PERFORMANCE



## PART 2: DEPARTMENTAL PERFORMANCE

### A. ORGANISATIONAL ENVIRONMENT

The overall environment of the year under review posed challenges at both employee and strategic level of the Department of Local Government and Housing. The year saw the implementation of various legislation and strategic plans. In addition, the department's organizational structure changed following the assessment of responsibilities within certain directorates. This provided more impetus to a department that since 1996 executed its mandate through an organisational structure that, with 250 employees, barely met the expectations of its clients and its stakeholders. The structure provided for two chief directorates, Chief Directorate: Housing and Specialized Services and Chief Directorate: Local Government and Traditional Affairs.

A protracted restructuring process commenced in 1998 to align and adjust the functions of the department to improve service delivery. This included employment of additional staff to a total of 8 employees. The current organizational structure includes three chief directorates viz, Housing, Local Government and Traditional Affairs, as well as Land Development and Planning.

With a total of 532 employees needed, the department still has to fill 244 for effective functionality.

As we look forward to the financial year ahead, we take into account the current successes and use them to motivate us to address challenges with more determination and vigour. With various human resource interventions such as skills development, HIV/AIDS programmes, employee assistance plan, the department aims to better serve the people of the Free State towards a sustainable improvement of their lives.

### B. MANAGEMENT AND USE OF RESOURCES

#### 1. Budget for the 2002/2003 Financial Year

The allocation received from Provincial Treasury in the Main Budget for the 2002/2003 financial year amounts to R 458 700 000. This allocation includes the amount of R 283 097 000 for housing and the amount of R 26 450 000 with regards to Local Government Support Grant. The amount of R 26 000 000 for salaries to former R 293 towns personnel are also included and provision was made for infrastructure projects to an amount of R 25 978 000. The adjustment budget amounts to R 38 147 000. The amount of R 33 564 000 had been appropriated on the adjustment budget of Vote 1, Office of the Premier regarding the former R 293 town officials, which brings the total budget to R 496 847 000.

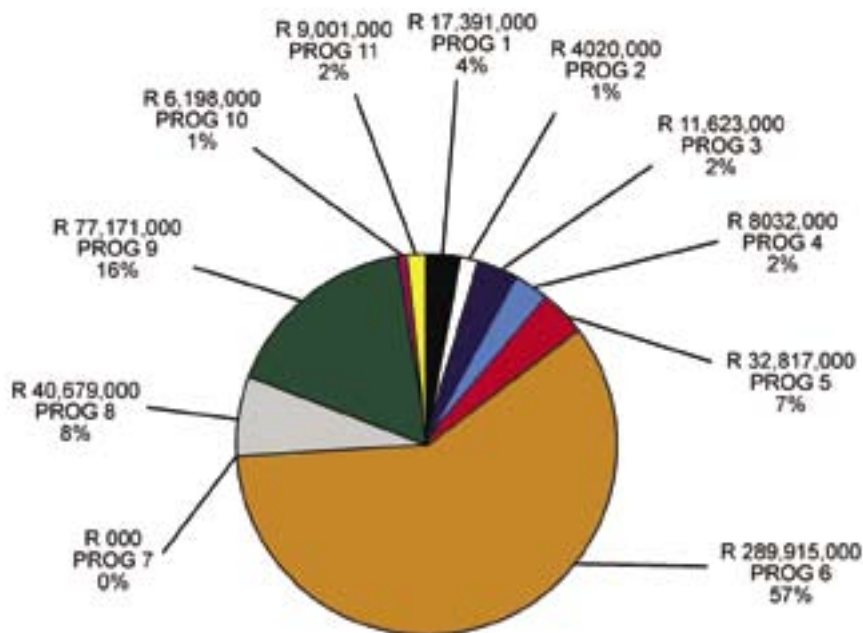
#### 2. Budget and actual expenditure as on 31 March 2003

##### 2.1. Budget and expenditure per Programme.

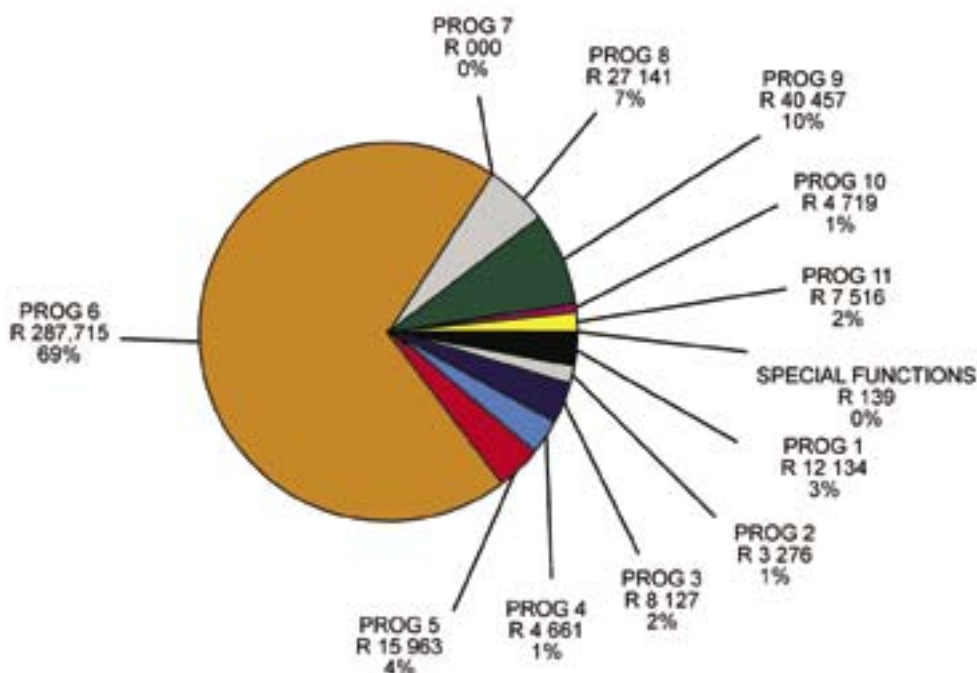
The budget allocated amounts to R 458 700 000, adjustment budget to R 71 711 000 minus the amount of R 33 564 000 that had been appropriated on the adjustment budget of Vote 1, Office of the Premier, which brings the total budget to R 496 847 000. The actual expenditure per programme as on 31 March 2003 amounts to R 411 847 801 with the amount available R 84 999 199.

PROGRAMMES	ADJUSTED APPROPRIATION	VIREMENTS	REVISED BUDGET	EXPENDITURE 01/04/02 – 31/03/03	AMOUNT AVAILABLE 31/03/03
	R'000	R'000	R'000	R'000	R'000
Administration	17 391	0	17 391	12 134	5 257
Technical Advisory Services	4 020	0	4 020	3 276	744
Spatial Planning	11 632	0	11 623	8 127	3 496
Land Use	7 732	300	8 032	4 661	3 371
Housing	31 717	1 100	32 817	15 963	16 854
Housing Fund	291 015	(1 100)	289 915	287 715	2 200
Urban and Rural Planning	0	0	0	0	0
Local Government Management	50 147	(9 468)	40 679	27 141	13 538
Auxiliary Services	68 003	9 168	77 171	40 457	36 714
Local Government Administration	6 198	0	6 198	4 719	1 479
Traditional Affairs	9 001	0	9 001	7 516	1 485
Special Functions	0	0	0	139	(139)
<b>TOTAL</b>	<b>496 847</b>	<b>0</b>	<b>496 847</b>	<b>411 848</b>	<b>84 999</b>

**VOTE8: BUDGET AND ADDITIONAL BUDGET PER PROGRAMME: R496 847 000  
2002/2003 FINANCIAL YEAR**



**VOTE 8: EXPENDITURE PER PROGRAMME: R411 848 (R'000)  
AS ON 31 MARCH 2003**

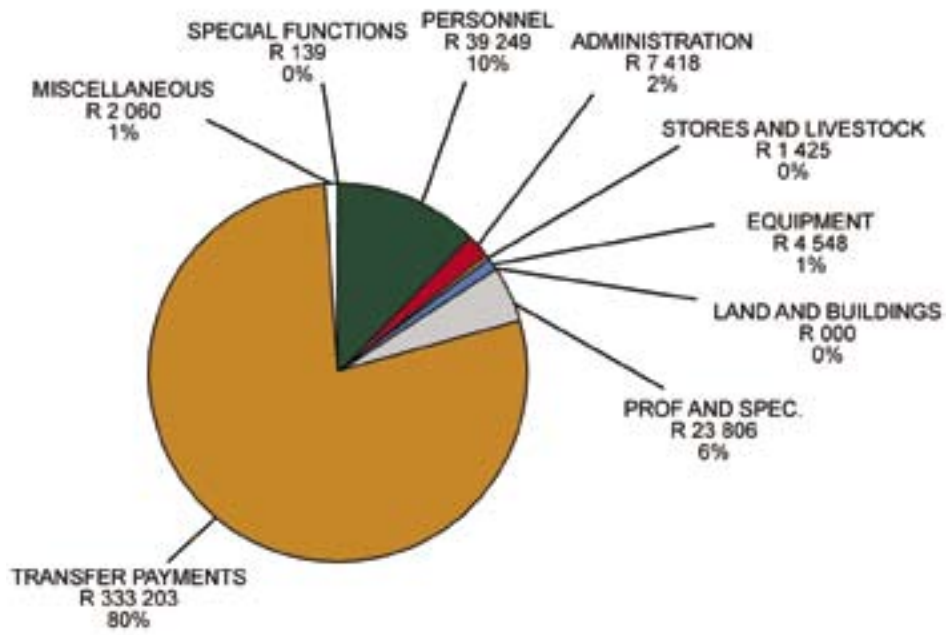


**2.2. Budget and expenditure per Standard Item.**

The budget allocated amounts to R 458 700 000, adjustment budget to R 71 711 000 minus the amount of R 33 564 000 that had been appropriated on the adjustment budget of Vote 1, Office of the Premier; which brings the total budget to R 496 847 000. The actual expenditure per standard item as on 31 March 2003 amounts to R 411 847 801 with the amount available R 84 999 199.

STANDARD ITEM	ADJUSTED APPROPRIATION	VIREMENTS	REVISED BUDGET	EXPENDITURE 01/04/02 – 31/03/03	AMOUNT AVAILABLE 31/03/03
Personnel	53 960	(4 971)	48 989	39 249	9 740
Administrative	8 923	1 008	9 931	7 418	2 513
Stores & Livestock	1 808	512	2 320	1 425	895
Equipment	6 330	1 736	8 066	4 548	3 518
Land & Buildings	0	0	0	0	0
Prof. & Spec.	47 403	(10 553)	36 850	23 806	13 044
Transfer Payments	375 423	12 268	387 691	333 203	54 488
Miscellaneous	3 000	0	3 000	2 060	940
Special functions	0	0	0	139	(139)
<b>Total</b>	<b>496 847</b>	<b>0</b>	<b>496 847</b>	<b>411 848</b>	<b>84 999</b>

**VOTE 8: EXPENDITURE PER STANDARD ITEM: R411 848 (R'000)  
AS ON 31 MARCH 2003**



## PROGRAMME I ADMINISTRATIVE SUPPORT SERVICES



## PROGRAMME 1: ADMINISTRATIVE SUPPORT SERVICES

The Administrative Support Services directorate is responsible for the coordination and management of all administrative functions in the department as per Public Service Act. Several sub-directorates make up this directorate; Human Resources, Communication, Information Technology, Organisational Development, Special Programmes, Labour Relations and Auxiliary Support services.

The directorate ensures that the department functions in accordance with the stipulated legislation and government procedures. Responsible for the critical aspect of human resources, the directorate assumes the responsibility of staff development, employment and retention as per staff retention policy of the department. In addition, through the Special Programmes unit, the directorate acts as a central area for HIV/AIDS issues and gender related matters.

### STRATEGIC OBJECTIVES

#### 1. Human resource management support

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Development of consolidated human resources plan.	Human resources plan developed	Meeting challenges in the Human resources plan
Development of capacity building interventions and workplace skills plan .	Interventions identified, workplace skills plan developed.	Implementation and monitoring of processes.
Compliance reports	Oversight report completed	Availability of reliable information.
Special programmes support	Guidelines and programmes developed. Some programmes implemented.	Implementation and continuous evaluation of programmes.
Health and safety	Development of standards and marketing these within the department	Compliance with Occupational Health and Safety Act.

#### 2. Provision of business process support

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Information management/ Information technology support	Consolidated information management plan in place	Implementation of information management plan.
Information technology operational plan	IT operational plan developed	Capacity for implementation.
Legal support	Increased user satisfaction	Outstanding appointment of legal advisor
Communication support	Effective departmental communication	Integrated organisational communication needs to be linked to strategic objectives.  Communication buy-in from management

## PROGRAMME 2 TECHNICAL ADVISORY SERVICES



## PROGRAMME 2: TECHNICAL ADVISORY SERVICES

The purpose of this programme is to provide advice on and evaluate all technical aspects of housing and infrastructure development in order to enforce compliance with optimum quality standards.

During the financial year under discussion, the programme has undergone extensive growth and developed into a fully-fledged directorate comprising the following sub-directorates:

- Technical advisory services
- Project co-ordination and
- Infrastructure co-ordination, which has made Technical Advisory Services, a misnomer; hence the motivation to rename it Housing Project Management Information Services and Quality Control.

### STRATEGIC OBJECTIVES

#### I. Provide regulatory framework

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Policy Guidelines	Evaluated the impact of the R2 479 contribution against site contribution.	The promotion and implementation of Saving Schemes in the Province.
Monitoring Mechanisms	<ol style="list-style-type: none"> <li>1. The establishment of two sub-directorates to monitor housing development and infrastructure provision.</li> <li>2. The establishment of the project co-ordination committee to constantly monitor housing projects and advise the MEC there on.</li> <li>3. The implementation of mechanisms of regular reporting by developers e.g. cash flows and project progress.</li> <li>4. The establishment of the technical and quality control unit within the PHP programme.</li> <li>5. Enforcement of registration of developers with National Home Builders Registration Council.</li> </ol>	<ol style="list-style-type: none"> <li>1. To employ sufficient and capable personnel.</li> <li>2. The consistent and impartial implementation of the resolutions of the committee.</li> <li>3. Complete compliance by the developers with the mechanisms.</li> <li>4. The reluctance and lack of understanding by Support Organisations to accept Technical and Quality Control Unit.</li> <li>5. Lack of capacity of the NHBRC.</li> <li>5.1 Lack of clarity on the role of NHBRC regarding the purpose of R 2479 beneficiary contribution.</li> </ol>

## 2. Provide capacity intervention framework

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Capacity Building Initiatives	Facilitation of the Cuban Technical Support Programme in the Province	Lack of understanding of the role of the programme by the PHP component.
Capacity Building Intervention Strategy	Enforcement of strict compliance with accreditation requirements for service providers in capacity building initiatives by municipalities on CMIP	Identification of accredited service providers

## 3. Provide a resource management framework

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Non-Housing Funding Programmes	<p>1. The relocation of the CMIP monitoring unit to Housing Administration Chief Directorate</p> <p>2. The complete relocation of the Provincial Infrastructure Unit to Housing Administration Chief Directorate</p>	To resource the unit fully
E-Service Delivery Process	The establishment of an Information Service component within the Chief Directorate	To resource the component fully

## 4. Provide stakeholder framework

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Stakeholder framework/ institutional arrangements	Establishment of a provincial database of key stakeholders e.g. developers, material suppliers, engineers and etc	To constantly update the database

## PROGRAMME 3 SPATIAL PLANNING



## PROGRAMME 3: SPATIAL PLANNING

The purpose of this directorate is to create sustainable, productive, healthy, balanced, integrated and safe urban and rural environments and to integrate economic, sectoral, spatial, environmental and institutional strategies through a participatory spatial planning process and effective land use control.

The main functions of the directorate are to render professional advice regarding the physical and spatial elements of land development, to manage the IDP process, to collect and update data, supply information, do research and play a supportive role in the preparation of the Integrated Development Plan for the Free State.

### PROGRAMME PERFORMANCE

STRATEGIC OBJECTIVES	SUCCESS INDICATORS
1. Formulate land use policy guidelines	Assist all 20 local municipalities by ensuring that they have well formulated land development policy guidelines in place as part of their spatial development framework.
2. Develop a provincial spatial plan	A provincial spatial development perspective in line with the Free State Development Plan is in place by 2004.
3. Support local authorities in undertaking their planning responsibilities.	Assist and advise municipalities in terms of their spatial development framework to promote the principles of the Development Facilitation Act in land development.
4. Administrate land development applications.	Professional planning advice on ± 800 applications were provided.
5. Establish and upgrade town planning schemes.	All land in the Free State is managed by town planning schemes within the next 5 years.
6. Establish and manage a database on spatial planning information.	Applicable spatial information on all municipalities be available in order to develop a comprehensive provincial spatial plan.
7. Facilitate the formulation of IDPs for municipalities.	All 25 municipalities have reviewed IDPs in place by 31 March 2003.

### SUCCESS INDICATORS

#### I. Land Development Management

- Maintaining a balanced and sustainable urban environment effective land use management is a necessity. The Townships Board was advised in this regard by means of comprehensive planning reports on the following town planning issues:

Subdivisions	176
Consolidations	124
Removal of restrictions	146

Township establishments	52
Rezoning	145
Amendments of the General Plan	41
Inclusions	14
Amendments of the Layout Plan	11
Amendments of the Town Planning Scheme	16
Annulments	2
Subdivision of Agricultural Land	77
Permits for change of land use	10
Closure of Roads	4
<b>TOTAL</b>	<b>818</b>

- Applications received for township establishments created an amount of 7 203 new sites for additional housing units to be developed.
- The department is also responsible for the evaluation of applications for land use changes as well as the administrative procedures of the 3 guide plan areas in the Free State namely; Vaal River Complex (1982), Bloemfontein and Environs (1986) and Free State Gold Fields (1994).

The MEC for Local Government and Housing was advised on the following applications:

TABLE 2: GUIDE PLAN APPLICATIONS	
Amendment of Guide Plans	8
Consistency	9
Subdivisions	12
<b>TOTAL</b>	<b>29</b>

## 2. Integrated Development Planning

Integrated Development Plans for all municipalities should have been finalised by 31 March 2002. Due to numerous factors such as the late receiving of regulations in terms of Municipal Systems Act No. 32 of 2000, the IDP process was prolonged for several months. The process was only concluded in December 2002 when all adopted IDPs were referred to the MEC for Local Government and Housing.

The Interdepartmental IDP Alignment and Assessment Committee assessed all IDPs during both the draft IDP stage in April, June and July 2002 and the final IDP stage in October, November and December 2002. All provincial departments, national departments with provincial offices, service providers, district municipal managers and PIMS personnel commented on final IDPs. These comments were sent to all Local and District Municipalities and had to be included in the reviewed IDPs.

Municipalities are responsible for implementing and the reviewing of current IDPs simultaneously. Reviewed IDPs should be finalised by 31 March 2003, however this would not be achievable because of the delay in the adoption of the first IDPs. In the meantime, training of municipal IDP managers regarding the review process took place during early November in Bloemfontein, Kroonstad and Parys. The Department of Provincial and Local Government conducted these training sessions.

On 19 and 20 February 2003, the Department of Local Government and Housing together with the Premier's office staged a two-day workshop on IDPs and the Free State Development Plan. At this workshop, the previous phase of IDPs was discussed with the review process and alignment with the Free State Development Plan in mind. Municipal managers, consultants and officials from Provincial and National Departments formed part of this workshop. Outstanding issues regarding the IDPs were indicated at this workshop and will be addressed during the implementation and review phases.

In January 2003, payments to the amount of R1.4 million at R56 000.00 per municipality were made towards final adopted IDPs. Another ± R81 200.00 per municipality will be made available as soon as their reviewed IDPs are received in 2003.

### 3. Promotion of Local Economic Development

- The Department is in partnership with the Department of Provincial and Local Government for the allocation of funds and approval of projects to promote local economic development in the Free State.
- At present this Department is monitoring 20 projects in Welkom (1), Harrismith (1), Botshabelo (2), Virginia (1), Dealesville (1), Hobhouse (1), Jagersfontein (1), Ladybrand (1), Philippolis (1), Senekal (1), Zastron (1), Thaba Nchu (1), Wesselsbron (1), Kroonstad (1), Ficksburg (2), Gariiep Dam (1), Phuthaditjhaba (1) and Brandfort (1). The monitoring of the projects includes regular site visits to the projects. The total amount allocated to these projects is R24 683 261.00 and through this, approximately 350 jobs were created.
- The State President visited the Pride of the Community project in Wesselsbron on 25 April 2002 as part of the Imbizo initiative.
- The Free State had an exhibition of all existing projects during the World Summit on Sustainable Development in Johannesburg during August 2002.
- LED training was conducted from 27 to 28 February 2003 by the Department of Provincial and Local Government in Bloemfontein for representatives of all Municipalities that are involved with LED projects.
- The LEDF Provincial Co-ordinating Committee evaluated 38 applications for new projects in December 2002 for the 2003/2004 financial year and a recommendation was made for 3 new projects and the remaining amount of the allocated budget of R8 343 000.00 will be used for additional funding for existing projects.

### 4. Information and research management

- **Impact assessment of CMIP funded projects**

The Consolidated Municipal Infrastructure Programme (CMIP) has been providing funding to municipalities for infrastructure provision for the past six years.

The Information Section is currently busy to evaluate the impact of several projects on the community taking into consideration the aims of CMIP. Various projects are monitored.

At this stage only one project has been monitored at Clarens. The following phase of assessment is due started on the 16 July 2003.

- **Research**

In order to capacitate municipalities with land use management and more specifically land use schemes, which should be in line with new Land Use Management Act, draft guidelines were set according to research outcomes. These are not yet operational. Wider consultation is necessary to finalise the project.

Assessment of two preliminary reports on the proposed R30 National Road Development Corridor extending between Bloemfontein and Welkom was done. Further studies in this regard are in progress.

A report was compiled on the main aspects of the National Resource Heritage Act influencing land use management.

Comments were provided to the Department of Land Affairs after an assessment of the National Spatial Development Perspective was done. Research of Provincial and District Spatial Development Frameworks provided guidance in this regard.

Assistance was given on land use matters regarding the Free State Development Plan and District IDPs pertaining to the compilation of the Free State Provincial Land Transport Framework.

A document to assist and guide the municipalities on potential funding for development has been finalised and will be distributed to municipalities. The information will enable them to identify which funds are available and who to contact in connection to these.

- **Information management**

The information as presented in the IDPs is scrutinised for lack of clarity, the validity of resources and the way in which it is presented.

A strategic document, which can be used for strategic planning purposes and which forms the basis of a Spatial Development Framework for the Free State, will be available in September 2003.

The Spatial Planning directorate in partnership with the Free State University is in the process of developing a Geographical Information System (GIS) for the Department. This effort aims to support, capacitate and strengthen Local Government and Traditional Authorities in the Free State in this regard. The main function of the GIS will be to act as an information management tool for the Department of Local Government and Housing. The directorate decided to amalgamate the web-enabled GIS with the Office of the Premier. The above project will now serve as a cornerstone for the development and implementation of one coherent GIS in line with the Office of the Premier's web-enabled GIS strategy for the whole Free State.

The availability of data, the need for a sophisticated GIS tool and GIS expertise were the main obstacles towards supporting the Department in data and information management. During the financial year the following data were obtained:

- a) Cadastral information from the Surveyor General, which in future will be obtained annually
- b) Topographical data from Mowbray
- c) The Environmental Potential Atlas for South Africa
- d) Satellite images of the Free State.

New software has been tested and after liaison with other role players it was decided to procure the new GIS software Arc view 8.2, which supports the web-enabled option.

**The following projects were finalised during the year:**

- a) Capturing of IDP information and compiling of a database of some of the information for the National Spatial Framework
- b) Twenty town-planning schemes were brought up to date
- c) Clauses of 16 towns were captured, 15 were just scanned
- d) The Municipal Funding Database was designed
- e) The directorate compiled and submitted the National CMIP Report and Presentation
- f) A coordinated draft report of the Departments FSDP to inputs was compiled and submitted to the Office of the Premier
- g) Compiled a layout plan for a community development centre in Qalabotjha.

## PROGRAMME 4 LAND USE ADMINISTRATION



## PROGRAMME 4: LAND USE ADMINISTRATION

The purpose of this directorate is to ensure orderly land utilisation on a local regional basis, and to provide for security of tenure in the Free State. The directorate consists of two sub-directorates namely Land Use and Land Tenure Services.

### TOWNSHIPS BOARD

The Townships Board is instituted to advise the MEC on all land use matters and this board comprises the following members:

- Mr Ben Montshioa (Chairman)
- Mr Wilfred Machogo (Deputy Chairman)
- Ms Laetitia van Rensburg
- Ms Thandi Gxaba
- Mr Neels de Leeuw
- Representative from the Office of the Registrar of Deeds
- Representative from the Office of the Surveyor General
- Representative from the office of the Department of Works Roads and Transport
- Representative from the office of the Department of Local Government and Housing

The following persons were also members, but had their services terminated due to their commitment elsewhere.

- Ms Nondwe Matanzima
- Mr John Muller
- Mr Hendrik Pieterse

### CHALLENGES

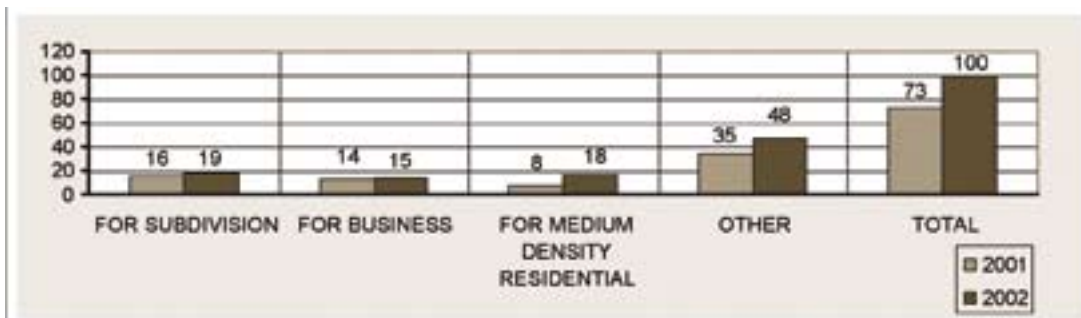
Despite functioning on skeleton staff due to the resignation of key members of the directorate, this directorate managed to keep its performance in crucial land use matters.

The amendment of the policy for deeds transfer posed a challenge for this office, as there was an additional fee of R95.00 for deeds transfer. This affected the directorate's budget, as it had not been catered for in the budget for the year in discussion. However, as the budget was subsequently increased to provide for the submission fees, the directorate managed to deliver on its mandate.

### SUCCESS INDICATORS

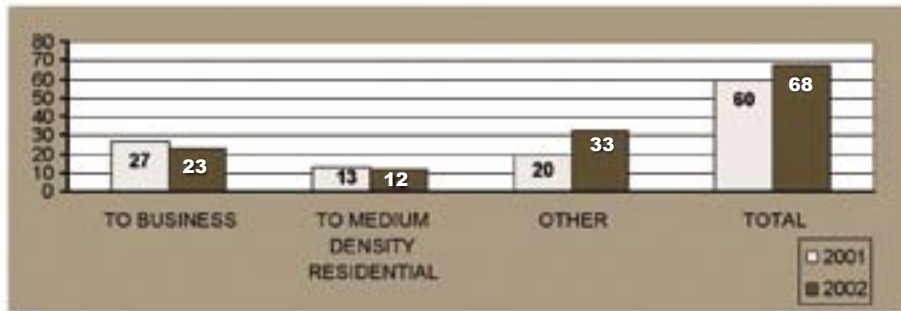
#### *Removal of restrictions*

Year	For subdivision	For business	For medium density residential	Other	Total
2001	16	14	8	35	73
2002	19	15	18	48	100



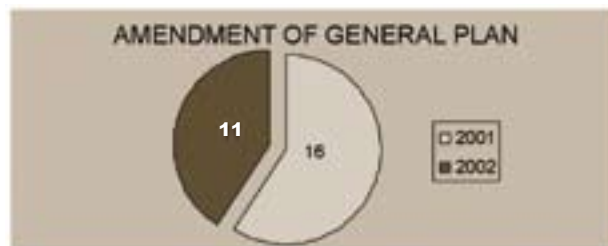
Rezoning

Year	To business	To medium density residential	Other	Total
2001	27	13	20	60
2002	23	12	33	68



Amendment of general plan

Year	Total
2001	16
2002	11



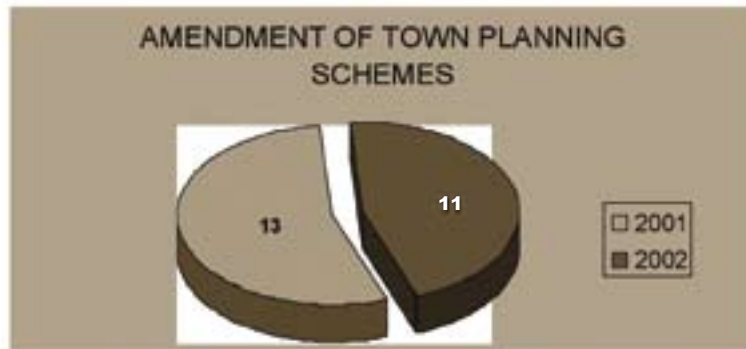
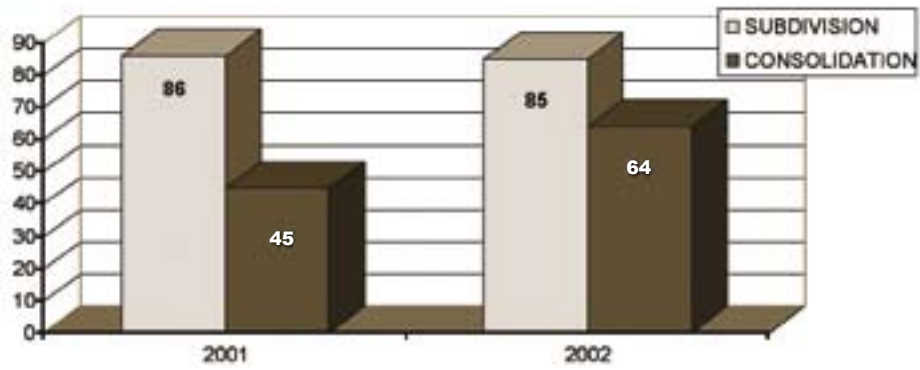
Subdivision and consolidating

Year	Subdivision	Consolidation
2001	86	45
2002	85	64

Amendment of town-planning schemes

Year	Total
2001	13
2002	11

## SUBDIVISION AND CONSOLIDATION

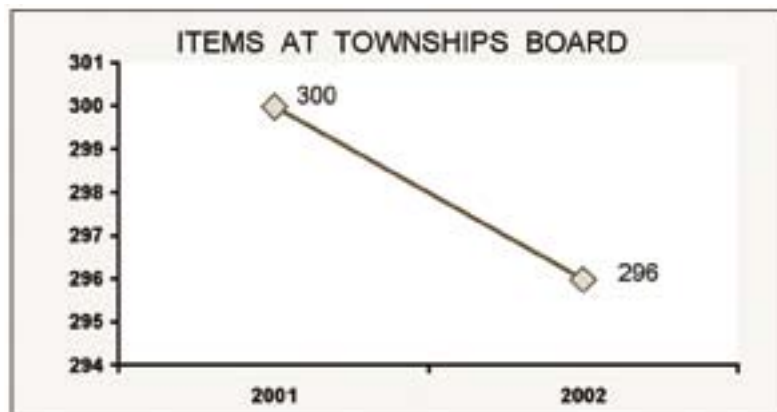


### Townships board

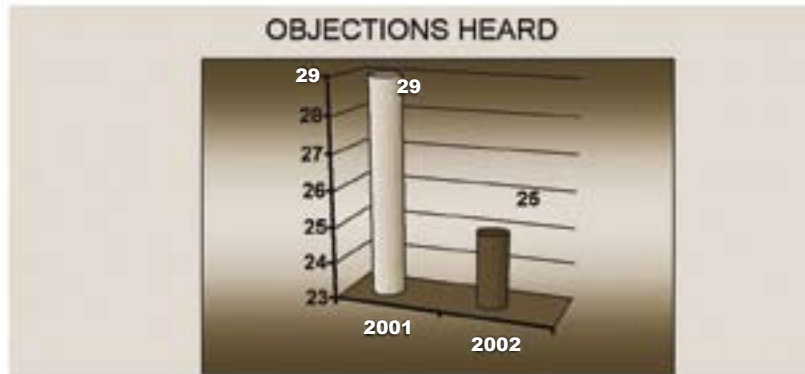
#### Scheduled agendas and minutes

Year	Time		Items Number	Agenda Pages	Minutes Pages
	Hours	Min			
2001	64	20	300	2 938	177
2002	69	00	296	4 341	151

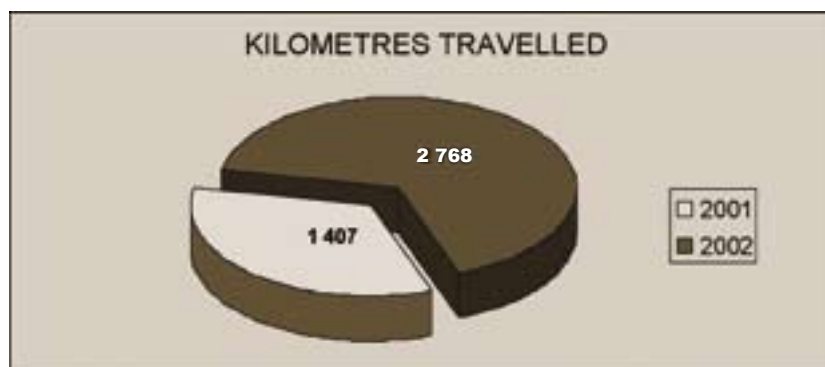
### Objections heard



Year	Time		Items Number	Agenda Pages	Minutes Pages
	Hours	min			
2001	73	17	29	1 066	130
2002	69	13	25	950	107



The legislation referred to above require that an inspection in loco should be held when an objection to a certain application is lodged. The townships board usually has the hearing at the town where the inspection takes place. The graph below indicates the distance travelled for the inspections and hearings.



As can be deduced from the above figures the work has been consistent to the previous year and where figures show a decline, it is marginal and insignificant.

The new Land Use Management Bill has yet to be promulgated and will have a huge affect on the directorate. Certain measures have been taken to ameliorate possible affects of this legislation. It is anticipated that the directorate will have a major role to play in assisting and training local municipalities and this has already been addressed in budget projections. An amount of R1.5 million has also been budgeted for assisting local municipalities to improve their town-planning schemes. Kroonstad will receive this benefit shortly.

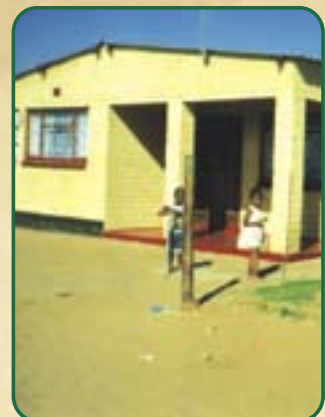
The Department of Urban and Regional Planning at the University of the Free State has also been appointed to conduct a study regarding a development corridor from Bloemfontein to Welkom along the R30 road. This study will prove valuable to all towns along the route and to Bloemfontein and Welkom as end nodes.

Representatives of the directorate also have seating on the integrated development plan assessment and alignment committee that advises the MEC regarding all IDPs. In this manner, the directorate also contributes greatly towards the planning and development of the province.

The directorate land development is committed to service rendering and doing its best to assist with all possible initiatives to serve the communities in the entire Free State.



## PROGRAMME 5 HOUSING ADMINISTRATION



## PROGRAMME 5: HOUSING ADMINISTRATION

The overall purpose of this programme is to promote housing provision and urbanisation through:

- Effective administration of housing subsidy programmes
- Facilitation of the formalisation of the informal settlements inclusive of planning and surveying
- Effective implementation of the Rental Housing Act of 1999
- Effective implementation of housing capacity building
- Effective housing stakeholder mobilisation & management
- Effective management of Integrated Sustainable Rural Development Programme.

### STRATEGIC OBJECTIVES

1. Regulatory framework for the delivery of 12 000 housing units
2. Capacity intervention framework for the delivery of 8 capacity building programmes to expedite housing delivery
3. Resource management framework for management of all housing programmes
4. Communication framework for housing delivery
5. Stakeholder framework for housing delivery

### PROGRAMME PERFORMANCE

*Housing administration performance*

OUTPUT	ACTUAL PERFORMANCE	PERFORMANCE TARGET	% DEVIATION FROM PLANNED PERFORMANCE
LOW COST HOUSES	10 400	12 000 houses	17,4 %
PROVINCIAL LEGISLATION DRAFTED	Nil	2	100%
SKILLS TRANSFERRED	10 programmes to be completed	11 programmes	10%
ASSETS MANAGED	243	243 assets managed	0%
CONTRACTS MANAGED	150	178	15%

### SUCCESS INDICATORS

- More than 10 000 housing units built against the annual target of 12 000
- Framework for sound project management was established
- Project co-ordination meetings with developers to ensure effective housing delivery
- Information sessions and capacity building within all five district municipalities were held
- Establishment of links with the Department of Land Affairs' Deeds Office to expedite transfers and ownership
- Supervision on the upgrading of 6 hostels
- Monitoring of housing development – inspection on 10 000 units
- Maintenance of 200 State assets (Bloemfontein, Kroonstad, Sasolburg, Welkom and Odendaalrus)
- Water quality management, in co-operation with the CSIR in all the Free State towns
- Restructuring of the department to ensure effective service delivery
- A total of 712 hostels were upgraded into family units in Metsimaholo Municipality

- One pilot project on energy efficient housing was initiated in Masilonyana Municipality
- About 10 Anchor projects out of 11 were completed at Maluti-a-Phofung as part of the Node in Thabo Mofutsanyana District Council
- The Housing Lekgotla 2002 was successfully held to consult with housing stakeholders.

## CHALLENGES

The directorate experienced several operational challenges due to understaffing and deficient office accommodation. The following new policies as well as legislative and/or operational housing requirements impacted delivery during this financial year:

- R2 479.00 - beneficiary contribution
- The implementation of the New Procurement Regime
- The lack of clarity on the role of the National Home Builders Registration Council
- The unavailability of township registers
- The lack of bridging finance
- The slow release of State land for housing development
- The lack of capacity within some municipalities and the non-existence of dedicated housing components.
- Blocked projects as a result of inflation erosion.

## PROGRAMME 6 HOUSING FUND

This programme has been amalgamated with Programme 5.



## PROGRAMME 7 URBAN AND RURAL DEVELOPMENT PLANNING

The functions relating to this programme were relocated to the Office of the Premier together with the total budget amount during the financial year under discussion.



## PROGRAMME 8 FINANCIAL ADMINISTRATION



## PROGRAMME 8: FINANCIAL AND PROCUREMENT ADMINISTRATION

The aim of this programme is to render financial and procurement assistance to the other programmes within the department to ensure effective, efficient and economical utilisation of resources in the department.

### STRATEGIC OBJECTIVES

#### I. Financial Management Support

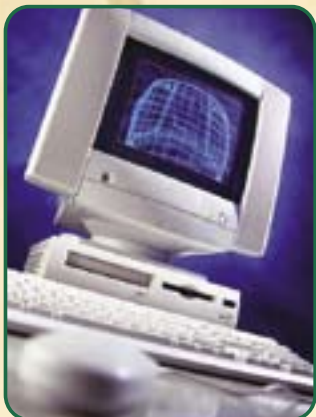
OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Consolidated Budget	Compiled the 2003/04 to 2005/6 Budget, Budget Statement 2 and motivations for the Department	<ol style="list-style-type: none"> <li>To achieve the outcomes of the Department with the limited resources</li> <li>To implement the Standard Chart of Accounts</li> </ol>
Capacity Building Interventions	<ol style="list-style-type: none"> <li>Capacitated officials by means of:               <ol style="list-style-type: none"> <li>Courses</li> <li>Workshops</li> <li>Information Sessions</li> </ol> </li> </ol>	Programme managers need to be capacitated in financial management
Departmental Control Reporting	<ol style="list-style-type: none"> <li>Spending Reports to the HOD and the MEC by the 20<sup>th</sup> of each month</li> <li>Reporting on Conditional Grants by the 10<sup>th</sup> of each month</li> <li>Quarterly statements with regard to Personnel debt</li> <li>Status of monthly report:               <ol style="list-style-type: none"> <li>Persal</li> <li>FMS</li> <li>Control accounts</li> </ol> </li> </ol>	
Financial Reports	<ol style="list-style-type: none"> <li>Early Warning System report to Provincial Treasury by the 15<sup>th</sup> of each month</li> <li>Month end closure certificates to be submitted to the Provincial Treasury monthly.</li> <li>Reports 44, 47 and 52 were clarified monthly.</li> </ol>	
Budget Administration	<ol style="list-style-type: none"> <li>Budget Expenditure Control (over and under expenditure)</li> <li>Cash Flow reconciliation is submitted to Provincial Treasury on a weekly basis</li> <li>Frequent revision of budget</li> </ol>	
Compliance Report	<ol style="list-style-type: none"> <li>PFMA, Treasury Regulations, PROPAC Resolutions and Responses</li> <li>Financial Statements for the 2002/03 financial year</li> <li>Financial Statements for Trust Funds</li> </ol>	

Salary Management	<ol style="list-style-type: none"> <li>1) Effective use of the PERSAL system</li> <li>2) Decentralization of Tax and Tax Deduction functions</li> <li>3) On time completion of PERSAL and FMS interfaces for each PERSAL run</li> </ol>	<ol style="list-style-type: none"> <li>1. To successfully reconciled PERSAL and the Financial Management System</li> <li>2. To successfully manage the newly decentralised Tax and Tax Deduction functions</li> </ol>
Debt Management	<ol style="list-style-type: none"> <li>1) Drafting of Debt Policy for the Department</li> </ol>	The clearance of all long outstanding debt cases
Accounting Support	<ol style="list-style-type: none"> <li>1) Expenditures were reconciled to the Report 44.</li> <li>2) Maintained accurate account records</li> </ol>	<ol style="list-style-type: none"> <li>1. The implementation of the Basic Accounting System (BAS)</li> <li>2. To implement the Fraud Prevention Plan</li> </ol>

**2. Infrastructure Support**

OUTPUTS	SUCCESS INDICATORS	CHALLENGES
Consolidated Infrastructure Plan	Completion and implementation of the plan	Successful implementation of an infrastructure plan.
Capacity Building Intervention	Three monthly meetings held for Chief User Clerks	
Updated Records	Updating of registers, files etc on a weekly and monthly basis	
Tender Administration Support	Successful finalisation of tenders	
Asset Management	Reliable asset management system Successful disposal of redundant items	
Loss control Management	Finalisation of all registered cases	
Provisioning Support	Timely procurement of goods and services in the department	

## PROGRAMME 9 AUXILIARY SUPPORT SERVICES



## PROGRAMME 9: AUXILIARY AND ASSOCIATED SERVICES

The aim of this programme is to transfer funds to Municipalities with regards to their Management Support Programme as well as Provincial Infrastructure projects.

### MANAGEMENT SUPPORT PROGRAMMES

PROGRAM 9	2002/2003 BUDGET	LESS EXPENDITURE	REQUEST TO ROLL OVER TO 2003/2004
Transfers to Municipalities (financial assistance)	R 4,400,000	R 4,050,000	R 350,000
Transfers to Municipalities (projects with a positive impact on their cashflow)	<u>R 13,738,385</u>	R 5,924,350	R 7,814,035
	<u>R 18,138,385</u>	R 9,974,350	R 8,164,035

The aim of the programme is to provide assistance to municipalities facing financial difficulties in the medium term, by supporting their efforts to restructure the institutional and financial arrangements so that they may effectively manage their own affairs, exercise their powers and perform their functions.

As a result of the financial position of 35 former Local Authorities in the Free State, Management Support Programmes have been instituted since 1998 in order to promote viability.

In this process it was learned that there was a huge backlog in the maintenance of administrative and financial record keeping to such an extent that Management Support Teams had to compile 20 sets of the 1997/98 and 23 sets of the 1998/99 financial statements before attending to the main purpose of the programme.

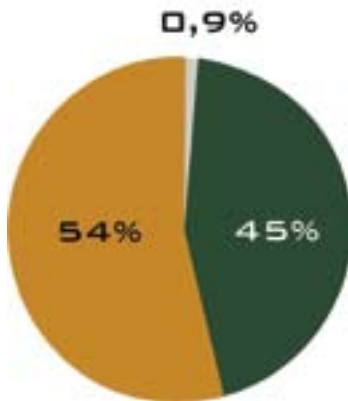
Since July 2000, Management Support Programmes were also instituted to prepare for the dismantling of the former Transitional Local Councils which included the updating of asset registers, compilation of the 1999/2000 financial statements and financial records until the end of November 2000.

Since 5 December 2000 Management Support Programmes included the entire newly established municipalities system. These programmes focused on the preparations of integrated budgets, determination of uniform tariffs, preparation of credit control and indigent policies.

The support provided to municipalities for the 2002/2003 financial year continued to focus on enhancing financial and administrative capacity. Emphasis was placed on the implementation of efficient and effective financial management systems and amalgamation of administrative functions, particularly as the transition of municipalities reached an advanced stage. The support supplied included the provision of technical expertise and the required funding for the implementation of processes and projects that will positively impact the cash flow and service delivery of the municipality concerned.

## PROVINCIAL PROJECTS FOR 2002/2003

In addition to the Conditional Grant, an amount of R52,747,912.65 was allocated towards projects from the Provincial Budget for 2002/2003. A total of 19 projects were approved for the following:



PROVINCIAL FUNDED PROJECTS FOR 2002/2003		
NO	Projects Currently being implemented	2002/2003
8	Water	R 24,824,446.16
9	Sanitation	R 27,446,007.05
2	Electricity	R 477,459.44
19	<b>TOTAL</b>	<b>R 52,747,912.65</b>

With regards to the 19 projects, 5 of these have been completed, 9 are on construction and 5 on pre-implementation stage.

## PROGRAMME 10 LOCAL GOVERNMENT ESTABLISHMENT



## PROGRAMME 10: LOCAL GOVERNMENT ESTABLISHMENT

The purpose of this directorate is to create a stable and predictable system of intergovernmental relations and support the evolution of an effective local government system in the country.

The main function of the directorate is to support municipalities in implementing the new system of local government. This includes performance management, service delivery and involvement of communities in municipal governance. This is done through monitoring the performance of municipalities of assigned developmental duties, developing support programmes to capacitate and strengthen local government, facilitating the enactment and implementation of local government legislation as well as promoting and facilitating intergovernmental relations.

### PROGRAMME PERFORMANCE

STRATEGIC OBJECTIVES	OUTPUTS	SUCCESS INDICATORS
Identified policies implemented and evaluated	Identified policies implemented	<p>A workshop was held in November 2002 to discuss draft recommendations of the Municipal Demarcation Board (MDB) on the MEC adjusted powers and functions.</p> <p>A notice on MEC adjusted powers and functions was promulgated on 14 January 2003.</p> <p>Assisted two municipalities – Nketoana and Mantsopa, to change their municipal types. This action was critical for prompt decision-making processes.</p> <p>Convened a series of workshops during May and August 2002; and February 2003 on language policies. This exercise was aimed at the development of language policies for municipalities as prescribed in the Constitution. Consequently 8 municipalities in the province successfully drafted language policies.</p> <p>Provided advice on approximately 20 cases regarding procedural matters for council meetings, pension scheme, loans and the interpretation of codes of conduct. This contributed towards stabilising local government.</p>
Management skills transferred to councillors	Evaluation reports	Training in Budgeting and Finance and Financing of Municipalities was provided to 160 councillors. The training was done in partnership with SALGAFS and the National Department of Provincial and Local Government (dplg).

<p>Capacity building programmes developed and implemented</p>	<p>Developed and implement programmes</p>	<p>A municipal support programme has been implemented to assist municipalities confronted with financial and/or administrative difficulties over the medium term.</p> <p>R 15 050 000.00 was used in providing technical assistance to 21 municipalities to:</p> <ul style="list-style-type: none"> <li>• Develop cash funded operational budget and a capital budget supportive of the integrated development plan</li> <li>• Ensure that financial reporting processes take place accurately and timely</li> <li>• Approve and implement consolidated credit control and indigent support policies</li> <li>• Approve debt restructuring plans by creditors and the implementation thereof by municipal councils</li> <li>• Develop a stable and sustainable financial foundation</li> <li>• Comply with all applicable financial management legislation and compliance with generally accepted financial management practices, which include the adoption of three-year budgets and Generally Accepted Municipal Accounting Practices (GAMAP) when promulgated in legislation.</li> </ul> <p>A further R 7 000 000.00 was used to assist these municipalities in implementing projects that would have a positive impact on the cash flow of municipalities; such as</p> <ul style="list-style-type: none"> <li>• Creation of customer -care centres</li> <li>• Elimination of water/electricity line losses</li> <li>• Acquisition of vehicles and equipment to enhance service delivery</li> <li>• Maintenance of service delivery equipment/utilities</li> <li>• Compilation of valuation rolls for new jurisdictions</li> </ul> <p>A portion of R4, 4 million from the Local Government Support Grant was allocated to municipalities in financial difficulties during the year under review to assist them in:</p> <ul style="list-style-type: none"> <li>• paying suppliers of bulk services</li> <li>• payment of arrears creditors</li> <li>• payment of salary arrears.</li> </ul>
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## PROGRAMME II TRADITIONAL AFFAIRS



## PROGRAMME 11: TRADITIONAL AFFAIRS

The primary purpose of this directorate is to provide administrative, financial and secretarial support to the House of Traditional Leaders in the Province, thus creating an enabling environment for the Traditional Leaders to realise the mandate of the Government towards communities that observe a system of Customary Law.

### THE FUNCTIONS OF THE DIRECTORATE ARE:

- Ensuring good cooperative government relations between the traditional leaders, provincial and local government
- Maintaining ethnological records of traditional leaders
- Facilitating capacity building for traditional leaders.

**PROGRAMME PERFORMANCE**

STRATEGIC OBJECTIVES	OUTPUTS	SUCCESS INDICATORS
<p>Monitor and maintain an updated database on traditional leaders.</p>	<p>Maintain a database of all Traditional Leaders recognized in term of law.</p>	<p>The department keeps and maintains an updated database on traditional leaders. Conducted an annual review of all categories of traditional leaders in the Free State and the information was passed on to the DPLG for inclusion on the website.</p> <p>All resignation, deaths and replacements are reflected on the records, Note must be taken that there can be no new appointments of traditional leaders until there is uniform legislation in place.</p>
<p>Develop mechanisms, systems, and processes to ensure financial viability traditional authorities.</p> <p>Promulgate and implement provincial legislation on traditional authorities.</p>	<p>The Provincial Government policy exists to pay allowances of Traditional Leaders on their attendance of the Chief Council meetings.</p> <p>The Provincial Government policy exist to pay allowances of Traditional Leaders on their attendance of the Chief Council meetings.</p>	<p>Up to the time of reporting there has been no legislation in place which allocates role and functions to the traditional leaders. This has made it impossible to develop mechanisms for financial viability of the traditional institution save to say that a stipend is allocated to each tribal authority monthly to enable them to fund their activities. The traditional leaders are prohibited by law to collect taxes and levies; therefore they are not financially viable.</p> <p>On 23 October 2002, the Cabinet approved the Draft White Paper for further consultations so that a final White Paper can be adopted. The department embarked on a wide campaign of consultation involving the governmental sector; non-governmental organisation, House of Traditional Leaders, Chief Councils, Tribal Authorities and community based organisation. Comments and submissions were collected and a final report was submitted in January 2003 to Department of Provincial and Local Government. The White Paper on Traditional Leadership and Governance was not finalised by 31 March 2003, provincial legislation will only be enacted when the white paper is in place.</p>

## PROGRAMME II DISASTER MANAGEMENT



## PROGRAMME 11: DISASTER MANAGEMENT

The purpose of this component is to create an approach to disaster management that focuses on reducing risks – the risk of loss of life, economic loss and damage to property, especially to those sections of the population who are most vulnerable due to poverty and general lack of resources. This implies an increased commitment to strategies that prevent disasters and mitigate their severity by the component.

### I. STRATEGIC OBJECTIVES

#### To provide and implement an effectual provincial disaster management regulatory framework

Outputs	Success Indicators	Challenges
Provincial Legislation drafted	The province is participating in terms of giving inputs in the national task team of the Provincial Disaster Management Committee in the development of National Disaster Management Framework	Provincial Disaster Management Framework will be informed by the National Disaster Management Framework
Policy guidelines	The province assisted municipalities in the development of their Disaster Management Plans for IDPs. A task team has been established to deal with issues pertaining to the formation of Provincial Disaster Management Advisory Forum	After all municipalities have developed their workable disaster plans the province will be in a position to compile the provincial disaster management plan.
Monitoring mechanisms	The component is still involved in the review of the municipal disaster management plans.	Currently most of municipal plans have been evaluated, corrected and are being implemented.

#### To establish and facilitate a Disaster Resource Management Framework

Output	Success Indicators	Challenges
Disaster Management Centre	The location of the building of the Provincial Disaster Management Centre has been identified and work is in progress ensuring that the building will be in accordance with norms and standards. All districts municipalities have budgeted for their centers. Should their projected budget be insufficient, they would receive assistance from National Disaster Management Centre in the form of start-up grant	A feasibility study was done in other Provincial Disaster Management Centres and their best practices have been noted.
Integrated Disaster Management Information System	The component is on continuous contact with the South African Weather Services on early warning systems focused on all extreme weather patterns.	Fire Danger indices and other extreme weather patterns received on daily basis and early warnings sent out where necessary.

**To facilitate a disaster management stakeholder base performance**

Output	Success Indicators	Challenges
Stakeholder base/institutional arrangements	Established a provincial database of key stakeholders, such as NGOs, CBOs, civil society, institutions of higher learning, Free State SALGA, parastatals and private sector	Database will be updated on an ongoing basis

**To provide a capacity intervention framework for disaster management performance**

Outputs	Success Indicators	Challenges
Providing capacity building initiatives	African Centre provided coordinated training that for Disaster Studies – Potchefstroom on Basic Disaster Management. Coordinated Disaster Management Information Systems workshop that was provided by national Disaster Management Centre Provided workshops, road shows and bilaterals to Lejweleputswa, Xhariep, Motheo and Thabo Mofutsanyane District Municipalities on the Disaster Management plans development. Provided training on First Aid, fire fighting and fire prevention, Veld and Forestry Act Transferred two-way radios to local municipalities for proper communication with stakeholders.	Training, public awareness and capacity building initiatives will be carried out on an ongoing basis. Monitoring mechanism to assess the effectiveness of these programmes will be developed in the next year.

**2. TRAINING**

There is ongoing information sharing and capacity building workshops to empower provincial government officials, municipal employees, politicians, community based organisations and volunteers on Disaster Management and fire prevention and management. Lejweleputswa and Thabo Mofutsanyane District Municipalities benefited immensely from these programmes and have already established functional district disaster management committees. The component is currently providing workshops to Motheo and Xhariep District Municipalities on the establishment of disaster management structures and the compilation of their plans.

The component requested funding from the Norwegian Government for the provision of the disaster management capacity building programme, which was provided to politicians, municipal officials, volunteers and other community based organisation representatives. The University of Potchefstroom offered the programme. In total 62 people were trained.

**3. VELDFIRES DISASTER**

During the month of July 2002 the province experienced an outbreak of veldfires in the Eastern and Northern Free State, which resulted in loss of lives, livestock, property and grazing. After inspection of the area by national and provincial delegation part of this area was declared a disaster area. Relief in the form of fodder was provided. The department coordinated provision and transportation of fodder from Kroonstad to Kestell.

**4. OTHER INCIDENTS**

1. Thunder and windstorm at Koppies, Ngwathe Municipality on 6 January 2003. This resulted in electricity blackout for approximately 24 hours.
2. Wind and rainstorm in Excelsior, Mantsopa Municipality on 6 January 2003 which resulted in damage to two formal houses and thirty informal settlements. In both incidents short-term relief was provided.

3. Windstorm in Winburg, Masilonyana Municipality on 23 December 2002. At total of 53 houses were damaged.
4. Windstorm in Theunissen on 18 March 2003. The Masilo township in Theunissen was ravaged by a severe windstorm which resulted in damages to six community institutions (Taiwe Senior Secondary School, Thusanong Youth Centre, Masilo Old Age Home, Masilo Municipal Offices, Old Apostolic Church and Stjhabea Lesemula Self-help Community Centre) and more than fifty houses. In both incidences the Provincial Disaster Management unit coordinated activities of relevant stakeholders. The Masilonyana Municipality declared both incidents at Winburg and Theunissen local disasters on 19 March 2003.

## 5. INVOLVEMENT IN OTHER ACTIVITIES

- Snow Protocol N3 Incident Management
- NRA NI-N8 Incident Management Systems
- Lesotho Elections - Refugees Contingency Planning
- Airport Disaster Simulation Exercise Planning and Execution
- Provincial Disaster Management Committee
- Inter-departmental Disaster Management Committee
- Provincial Operational Coordinating Committee (POCOC)
- Joint Operational Coordinating Committee (JOCOM).

## PART 3 FINANCIAL STATEMENTS



## PART 3: FINANCIAL STATEMENTS

### DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8

#### MANAGEMENT REPORT

For the year ended 31 March 2003

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Free State Province.

#### I. General review of the state of financial affairs

In pursuing the Constitutional mandate, the department continues unabated with the transformation of local government. The department continues to support, strengthen, monitor and facilitate integrated service delivery. The draft White Paper on Traditional Leadership and Governance has been circulated and comments were forwarded to the Department of Provincial and Local Government for finalisation. The Development Facilitation Act (DFA) promulgated in 1996 made a significant impact in development planning and land use processes countrywide. Presently a new piece of legislation, the Land and Urban Planning Bill is in the process of being enacted, which takes further the development process brought to the fore by the DFA. Adhering to the Housing Act as well as the Municipal Systems Act, Housing Sector Plans are in the process of being compiled by four major municipalities in the Province. This is a pilot exercise executed by the department to assist and empower municipalities in terms of housing strategies and delivery in their own right. Further the department is geared towards the implementation of the recently promulgated Disaster Management Act. In terms of the Act all municipalities must establish and implement a Municipal Disaster Management Framework Action Plan. The Act encourages proactive prevention of disasters so as to mitigate the impact should the disaster strike. Therefore it is imperative for municipalities to include issues of disaster management in their respective IDPs.

A total amount of R458,700,000 was appropriated in the main budget of the Department with an additional amount of R40,150,000 (included unauthorized expenditure approved) appropriated in the adjustment budget. The total budget for the financial year ended 31 March 2003 amounts to R498,850,000. The total expenditure for the financial year amounted to R411,848,000 which resulted in a surplus of R84,999,000. Included in the surplus is an amount of R68,612,000 already committed in terms of contractual obligations. (See paragraph 3) The balance of the surplus is mainly due to a saving under personnel expenditure as a result of the new departmental structure approved late in the financial year. During the next financial year a number of critical posts will be filled within the Department.

Budget Reconciliation	2002/03	2001/02
	R'000	R'000
Amount appropriated, excluding rollover	458,700	375,107
Plus: Improvement in Conditions of Service	-	1,598
Plus: Adjustment estimate	40,150	95,246
Rollover from previous year	58,144	58,398
Additional allocation	(19,997)	36,848
Unauthorized expenditure approved	2,003	-
<b>SUB-TOTAL</b>	<b>498,850</b>	<b>471,951</b>
Less: Total Expenditure	(413,851)	(406,576)
Authorised programme	(411,709)	(406,282)
Unauthorized expenditure approved	(2,003)	-
Authorised losses	(139)	(294)
<b>SURPLUS PER APPROPRIATION ACCOUNT</b>	<b>84,999</b>	<b>65,375</b>
Less: Rolled over/carried forward	(67,610)	(58,144)
<b>SAVING</b>	<b>17,389</b>	<b>7,231</b>

Services rendered by the Department

#### Tariff Policy

The Department rendered the following services for the financial year ended 31 March 2003:

- Amendment to the Town-planning scheme by rezoning.
- Removal of restrictions.
- Alterations to or suspension of restrictions.

A tariff policy regarding the fees payable in regard to the following three sets of Legislation has been developed:

- Removal of Restrictions Act, 1967 (Act No. 84 of 1967)
- Townships Ordinance, 1969 (Ordinance No. 9 of 1969)
- Development Facilitation Act, 1995 (Act No. 67 of 1995)

Together with any application received in regard to the above-mentioned legislation, an application fee of R 2 000 is charged together with an undertaking to pay any cost exceeding R 2 000 when the advertisement is placed in a newspaper. The procedure to calculate the actual cost of an application is as follows:

- All Land Development advertisement costs/accounts are calculated in the same way except those that are advertised in the Provincial Gazette.
- Read all the lines in the placed advertisements from Newspaper Agencies.
- Check the total cost of all the advertisements placed as given on the account.
- Determine the cost of each line by dividing the total cost by the number of the lines.
- Determine the cost of the heading lines (title) by multiplying the number of headings by the cost for each line.
- Determine the cost to be paid by each applicant for heading lines.
- Determine the cost of the first advert, which is equal to the number of lines on the first advert multiplied, by the cost of each line. Add to this amount the cost in regard to the headlines.
- Determine the cost of the second advert the same as in point (g).

The policy is currently under review and might change as from the financial year ending 31 March 2004.

## 2. Under/(over) spending R'000

An under expenditure of R 84,999,000 has occurred by the Department. The under spending occurred under the following standard items:

	R'000
a) Personnel	9 740
b) Administration	2 513
c) Inventories	895
d) Equipment	3 518
e) Professional and Special Services	13 044
f) Transfer Payments	54 488
g) Miscellaneous	940
h) Special functions: Authorised losses	(139)
TOTAL AMOUNT	R 84 999

Approval was requested from Provincial Treasury in accordance with Treasury Regulations Chapter 6, section 6.4 and section 30(2)(g) and section 31(2)(g) of the Public Finance Management Act, No. 1 of 1999 for funds to an amount of R67,610 to be rolled over from the financial year ending 31 March 2003 to the financial year ending 31 March 2004. All funds requested for roll over are in regard to conditional grants and/or commitments already contractually entered into. The amount requested is made up as follows:

	R'000
a) GG Vehicles	180
b) Office Equipment	180
c) Integrated Development Planning	300
d) Provincial Integrated Development Planning	1 700
e) Project University Free State	300
f) Town Planning Schemes	1 500
g) Informal Settlements	1 208
h) Pool Vehicles	770
i) Human Settlement Redevelop Grant	11 045
j) Flood Victims	2 085
k) Provincial Infrastructure	26 598
l) Consolidated Municipal Infrastructure Programme	2 204
m) Management Support Programme	16 795
n) Disaster Management Centre	2 747
TOTAL AMOUNT	R 67 610

## 3. Capacity constraints

The new organisational structure is not yet in place and therefore most of the Directorates within the Department performed their functions with a shortage of personnel. Although all functions were performed as expected, most personnel were responsible to handle additional functions which placed a strain on service delivery. The Department is in a process of filling the vacant posts and it is therefore foreseen that this problem will be addressed in the 2003/2004 financial year. Further the delay in the co-ordination and planning of the geographical information system with the Department of the Premiers and SITA resulted in an information management implementation constraint. It can also be mentioned that due to the restructuring of the Department and the House of Traditional Leaders functions within the Department have also been reallocated.

#### 4. Other organisations to whom transfer payments have been made

The main functions performed by the Department are:

- a) Support, strengthen and ensure sustainable and developmental Local Government and Traditional Authorities
- b) Facilitate and co-ordinate integrated housing and infrastructure development.

As a result of the main functions of the Department, transfer payments are made to the following organisations:

- a) District Municipalities
- b) Local Municipalities
- c) Developers
- d) Households

The following transfer payments were made to District Municipalities/Municipalities during 2002/2003:

#### CONSOLIDATED MUNICIPAL INFRASTRUCTURE PROGRAMME

Lejweleputswa District Municipality	R 624,000.00
Mangaung Municipality	R1,000,000.00
Motheo District Municipality	R 366,000.00
Thabo Mofutsanyana District Municipality	R2,000,000.00
Xhariep District Municipality	R 488,000.00
Matjhabeng Municipality	R 654,743.91
Northern Free State District Municipality	<u>R 819,442.77</u>
<b>TOTAL</b>	<b>R5,952,186.68</b>

Further an amount of R424,773.32 was requested to be rolled-over to the 2003/2004 financial year.

#### MANAGEMENT SUPPORT PROGRAMME

Kopanong Municipality	R1,076,834.42
Mohokare Municipality	R 600,000.00
Naledi Municipality	R1,243,500.00
Mantsopa Municipality	R 589,933.49
Masilonyana Municipality	R 174,200.00
Tokoloko Municipality	R 551,045.19
Tswelopele Municipality	R 499,958.37
Nala Municipality	R 350,000.00
Setsoto Municipality	R 299,200.00
Dihlabeng Municipality	R1,184,953.08
Nketoana Municipality	R 84,000.00
Moqhaka Municipality	R 970,274.46
Ngwathe Municipality	R 571,172.75
Metsimaholo Municipality	R 362,204.85
Mafube Municipality	<u>R1,417,073.69</u>
<b>TOTAL</b>	<b>R9,974,350.30</b>

#### HUMAN SETTLEMENT REDEVELOPMENT PROGRAMME

CSIR	R 685,410.00
Ninham Shand	<u>R 883,449.54</u>
<b>TOTAL</b>	<b>R1,568,859.54</b>

## 5. Corporate governance arrangements

The Directorate Disaster Management envisages entering into an agreement on the establishment of operational centres with other Departments such as Health and Public Works, Roads and Transport to be manned jointly by Departments.

### Risk Management and Fraud prevention policies

In accordance with the provisions of section 38(1)(a)(i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), each public sector institution is obliged to undertake a risk assessment and compile, adopt and adhere to a plan for the prevention of fraud, corruption, theft and financial misconduct. The fraud prevention plan was considered and approved by the Head of the Department and Management for adoption and implementation by the Department. A Fraud Prevention Committee was appointed to take ownership of the fraud prevention plan and to oversee the implementation and future maintenance of the fraud prevention plan. The plan will also be condensed in a manual for staff use. Furthermore the Department is to consider, circulate and implement a whistle blowing policy in accordance with which staff members will be empowered to report fraud and corruption without being victimised.

### Internal Audit and Audit Committee

The Department is currently in a process of compiling an Internal Audit Unit. The post for the Head of the Unit has been advertised and the Department is in a process of filling the vacancy. The Unit will be fully functional in the 2003/2004 financial year. Further regarding the Internal Audit Committee, the Department is in a process of forming a shared committee with other Departments. Provincial Treasury is currently in a process of appointing members for the said Committee.

## 6. Discontinued activities/activities to be discontinued

### a) Former R 293 Personnel

The Department Local Government and Housing no longer handles the payment of these personnel. Personnel has been transferred and the placement of the remainder of the personnel is facilitated by the Department of the Premier. The funds allocated for this purpose amounted to R33,564,000.00 and was transferred to the Office of the Premier in the adjustment budget.

### b) Consolidated Municipal Infrastructure Projects

As from the beginning of the financial year, all Consolidated Municipal Infrastructure Projects' allocations were made directly to the 5 District Municipalities as well as to Matjhabeng and Mangaung municipalities. The CMIP allocation to District Municipalities for the financial year 2002/2003 amounted to R122,850,080.32. As from 1 April 2003 the Department of Local Government and Housing monitored the process as follows:

- a) Bi-monthly progress meetings.
- b) Monthly progress of expenditure against allocations.
- c) Submission of monthly, quarterly, bi-annual and annual reports.
- d) Monthly meeting will be held with the Department of Provincial and Local Government.
- e) Monthly cash flows were evaluated against expenditure.

The Capacity Building and Management Fee Grant will still be appropriated within the Department of Local Government and Housing to ensure that capacity is built within the various District Municipalities. These activities to be discontinued have no financial implication to the Department.

## 7. New/proposed activities

- a) Capacity building to municipalities on disaster related issues.
- b) Establishment of Provincial Disaster Management Centre.
- c) Disaster Management Act Workshops to all districts.
- d) Development of the Provincial Disaster Management Framework.
- e) Training programme on basic Disaster Management, fire fighting and fire prevention, communication and environmental management system for Disaster Management.
- f) Development of Disaster Management Communication Strategy.
- g) Formulation of provincial Disaster Management plan.
- h) Development of provincial Disaster Management Information System.
- i) Community awareness programmes.
- j) Training of, and assistance to the local municipalities when new land use legislation comes into effect. Assistance with the compilation of encompassing town-planning schemes.
- k) Appointment of consultants for Integrated Development Planning over a period of 3 years was finalized in 2002/2003 and will start on 1 April 2003 (R300,000 for the first year is payable).
- l) As from the 1<sup>st</sup> of April 2003 the Office of the Premier transferred the House of Traditional Leaders to this Department.
- m) Housing is in the process of establishing a Housing Rental Tribunal.

As a result of the review of the organisational structure and the strategic plan of the Department of Local Government and Housing to align it with the Provincial Development plan, the following areas were identified as new/proposed activities from the financial year ended 31 March 2003:

- a) Restructuring of Special Programmes.
- b) Establishing a Legal Service for the Department.
- c) Establishment of Land Use Tribunals.
- d) Training of Municipal Officials on Land Use regulations.
- e) Language Management and Development within Municipalities.
- f) Establishing of an Interdepartmental Provincial Task Team on farm problems.
- g) Establishing of Municipal excellence awards.
- h) Advisory Committee to the MEC in respect of Housing.

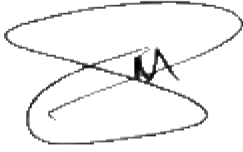
At this point in time an estimated financial implication cannot be determined.

## 8. Progress with financial management improvements

During the financial year ended on 31 March 2003, great emphasis was on improving internal control within the Department of Local Government and Housing. Meetings were held on a monthly basis regarding internal control and new systems put in place (revenue collection regarding Land Use) was closely monitored. During January 2002 consultants were also appointed to perform a total risk assessment and to compile a fraud prevention plan. Extension in this regard was obtained from the National Treasury and a Fraud Prevention Plan will be in place early within the next financial year. A Fraud Prevention Committee has been established within the Department. A forensic investigation is being conducted into possible fraud within the Housing Section. As the Free State Provincial Executive Council repealed its resolution regarding centralised Audit Committees, the Department will ensure that an Internal Audit Unit will be established within the first part of the next financial year. On the new organisation structure the post of Chief Financial Officer was also created and this post will be filled within the next financial year. The implementation of the Public Finance Management Act was completed in the Department and all reporting requirements in this regard are met.

## APPROVAL

The attached annual financial statements set out in pages 68 to 99 have been approved by the Accounting Officer:

A handwritten signature in black ink, appearing to be 'M S Msibi', is written over a circular stamp or watermark.

Mr. M S Msibi  
Deputy Director General  
(Accounting Officer)

Date: 23 June 2003



A U D I T O R -  
G E N E R A L

**REPORT**

OF THE

**AUDITOR-GENERAL**

TO THE

**FREE STATE PROVINCIAL LEGISLATURE**

ON THE

FINANCIAL STATEMENTS OF VOTE 8 – LOCAL GOVERNMENT AND HOUSING

FOR THE

**YEAR ENDED 31 MARCH 2003**



A U D I T O R -  
G E N E R A L

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5. APPRECIATION

## REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE 8 - LOCAL GOVERNMENT AND HOUSING FOR THE YEAR ENDED 31 MARCH 2003



A U D I T O R -  
G E N E R A L

### 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 1 to 42 for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

### 2. NATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations, which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

### 3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Department of Local Government and Housing at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with prescribed accounting practice.

### 4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

#### 4.1. Matters affecting the financial statements

##### 4.1.1 Revenue

With reference to paragraph 4.1.1 of the previous report, the completeness and accuracy of the income of R416 800 (2002: R363 420) regarding rezoning fees could not be verified. Negating factors included the following:

- (a) No reconciliation of the rezoning fees register to the Financial Management System (FMS) was performed. According to explanations files and invoices could not be traced to perform a reconciliation.
- (b) As a result of the lack of a proper filing system for revenue files, various rezoning fees application files could not be obtained.

#### 4.1.2 Accounts receivable

The management of accounts receivable did not in all instances ensure completeness and timeous collection of revenue due to the department as is evident by the following:

- (a) Included in accounts receivable was fraudulently cashed cheques totaling R141 304, outstanding as far back as 1998. Therefore the recoverability of these amounts appeared to be doubtful.  
This matter was also reported in paragraph 4.1.2 of the previous report.
- (b) Regular follow-up of the outstanding revenue with regard to salary debt was still not instituted. Included in accounts receivable were salary debt amounting to R84 610, as well as subsistence and cellphone debt of R61 080. The recoverability of these amounts therefore also appeared to be doubtful.

#### 4.1.3 Financial statements

Due to an oversight by both the department and the Provincial Treasury, a journal of R5 264 934 between the Debtors and Funds Requisition Accounts was not effected before the closing of the books. This journal has however been taken into account in the preparation of the financial statements of the department, thus resulting in a difference between the accounting records and the financial statements at year-end.

#### 4.1.4 Payment not effected

According to the cash basis of accounting, the date of payment is the date of charge.

The following instances were found where legal payment had not occurred although the transactions were included in the financial records:

- (a) Undelivered cheques

Cheques totaling R9 879 467 dated 31 March 2003 were issued but not collected from Treasury on 1 April 2003. In a tried case, the court stated that if the cheque had not been delivered, ownership did not pass.

Notice has been taken that the funds were only received from the National Department of Local Government and Housing on 30 March 2003 and that it was therefore not possible to process the transactions earlier.

- (b) Electronic funds transfer (EFT) payments

A credit balance of R10 978 392 was reflected in the EFT control account at year-end. The transactions on this account were only reflected on the bank statements for April 2003.

Notice has been taken that the above transactions have already been processed on 27 and 28 of March 2003 by the department.

### 4.2 Matters not affecting the financial statements

#### 4.2.1 Weaknesses in internal control

An effective, efficient and transparent system of internal control as required by section 38(1)(a)(i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), was not maintained in all instances. Apart from the deficiencies mentioned elsewhere in this report, the deficiencies that were brought under the attention of management include matters such as the recovery of private telephone calls, money not always timeously banked, incomplete remittance registers, files for rezoning fees incomplete, payments not always made within 30 days, clearing of suspense accounts, reconciliations between PERSAL and FMS not always done, control over receipt books and the absence of comprehensive security, data dictionary development and maintenance policies, and a proper tender register not kept.

Management should implement internal controls to address these problems since a number of these issues have been reported on for a number of years.

#### 4.2.2 Assets

With reference to paragraph 4.2.2 of the previous report, the asset register was not continuously updated with the movement of assets. Various differences between the register and actual items were also found during the physical verification of assets and a list of shortages and surpluses at year-end could not be provided.

Assets amounting to R284 883 could not be physically verified as the whereabouts of the assets could not be indicated and the assets were not numbered with an unique number.

#### 4.2.3 Matters in public interest

##### (a) Remuneration and allowances paid to the MEC

- The remuneration of the MEC for Local Government and Housing was budgeted for and paid by the Secretary to the Provincial Legislature. In terms of section 6(7)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), the Department of Local Government and Housing should have budgeted and paid the remuneration of the MEC. Cognisance has been taken that the department will in future pay the expenditure.
- The log book of the MEC was not complete as no private kilometers were identified and the purpose of trips was not always sufficiently indicated. According to paragraph 3.3.2 (d) of the Ministerial Handbook regarding the purpose of claims, a log book should be kept reflecting private and official kilometers clearly. According to available information, a total amount of R58 657 was claimed by the MEC during the year under review.

##### (b) Radios in possession of other persons

With reference to paragraph 4.2.3 of the previous audit report relating to the 949 mobile radios, a stock take, performed by the department, revealed the existence of only 544 radios. Most of the radios were lost *inter alia* due to amalgamation of municipalities and relocation of officials and farmers. The accounting officer approved the transfer of 280 mobile radios to municipalities and other organisations and the disposal of 220 mobile radios. A balance of 30 radios will be utilised by the department resulting in a balance of 14, which could not be explained.

#### 4.2.4 Financial management

##### (a) Internal audit and audit committee

In terms of section 38(1)(a)(ii) of the PFMA, the accounting officer of a department must ensure that the department has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with sections 76 and 77 of the PFMA and the Treasury Regulations.

It is disappointing to report that neither an internal audit unit nor an audit committee had been established by the department for the year under review.

Cognisance has been taken that the department advertised the post of Head of Internal Audit and was in the process of short-listing the candidates for interviews.

Cognisance has also been taken that in terms of the Executive Council Resolution no 56/2002 the department will have one shared audit committee with a number of other departments within the Province. The Provincial Treasury has since appointed members for this committee.

This matter was also reported on in paragraph 4.2.6 of the previous audit report.

**(b) Loss control function**

The manual loss control register was not regularly updated and reviewed.

Although an official was charged with the duties of a loss control officer, a written appointment as such, as required by paragraph 3 of the department's policy regarding management of losses, could not be obtained.

**4.2.5 Non-compliance with laws and regulations**

**(a) Appointment of a Chief Financial Officer**

In terms of Treasury Regulation 2.1.1, each institution must have a Chief Financial Officer (CFO) serving on the senior management team unless directed otherwise by the relevant Treasury. The Director Finance acted as CFO for the current financial year.

**(b) Appointment of Accounting Officer**

According to section 36(5) of the PFMA, the employment contract of an Accounting Officer for a department must be in writing and, where possible, include performance standards. According to explanations by the Accounting Officer, he was appointed in terms of the Public Service Act, 1994 (Act No.103 of 1994) and an employment contract was therefore not applicable. A performance agreement could however not be submitted as it was not yet finalised.

**(c) Safekeeping of batches and vouchers**

Various shortcomings with regard to the storeroom in the Lebohang Building, which was utilised for safekeeping of batches and vouchers, were observed. This may lead to the non-compliance with section 40(1)(a) of the PFMA and section 3(c) of the Archive Act (Act No. 43 of 1996) pertaining to the proper management, safekeeping and care of public records.

**(d) Virement**

According to section 43(2) of the PFMA, virement approval is limited to 8% of the amount appropriated. Contrary to this provision, virement approval was given for the shifting of an amount of R9,468 million while 8% only amounted to R4,012 million. However the programme to which the amount was shifted had sufficient savings to cover the actual expenditure and would thus not result in unauthorised expenditure if the virement was limited to 8%.

**4.2.6 PERFORMANCE AUDIT : MANAGEMENT SUPPORT TEAMS**

A performance audit on the management support teams (MST) at municipalities was completed during the 2002-03 financial year. The findings included the following:

**(a) Subsistence and travelling cost considerations**

Although the department took a number of factors into account when appointing MSTs, the subsistence and travel (S&T) cost associated with the appointment of MSTs whose offices were not in close proximity to the municipality concerned, were not fully taken into account. This contributed to large amounts that have been paid in respect of S&T cost for MST staff where the MST offices were not in close proximity to the municipality.

**(b) Cost of similar activities**

(i) *Standard formula*

The method used to determine the amount to be allocated per activity at the municipalities, was not supported by a standard formula. Differing amounts were consequently paid to MSTs for the same activity at the different municipalities. For example, the cost compiling a prognosis to determine if a need for an MST existed differed from R25 973 at one municipality to R254 204 at the next. The cost of compiling a credit control policy ranged between R70 080 and R6 000.

(ii) *Standard hourly rate per activity*

Although audit firms generally make use of staff on different skill levels to conduct high level work such as compiling financial statements and lower lever work such as updating an asset register, an evaluation on invoices revealed that some MSTs charged all activities at the same hourly rate, irrespective of the complexity of the activity.

(c) **Duplication of development cost**

Although the department sent out circular no. 3 of 1999 together with an example of a basic credit control policy and indigent policy to ensure uniformity, approval was granted for the development of credit control and indigent policies at municipalities. Notwithstanding that a basic policy was made available by the department, costs of up to R70 080 was incurred by a MST to develop a policy. In addition it was also found that a new policy was developed for each municipality after demarcation, notwithstanding the fact that each municipality had its own policy before demarcation.

(d) **Monitoring of action plans**

The action plans compiled by the MSTs did not clearly state the proposed outcome of their actions and therefore their work was not consistently measurable. The expected quality of the work performed by MSTs was not indicated in the action plan and the financial statements compiled did not always conform to the standards of the Institute of Municipal Finance Officers.

(e) **Monitoring of payments of management support teams**

(i) *Certificates issued for payment*

When the department received the invoices for payment from the MST, it had been certified for payment by the town treasurer or later municipal manager of the municipality concerned. The certification was to serve as proof that the municipality was satisfied with the progress in terms of the action plan as well as the quality of the service rendered. This system was, however, not functioning effective as several municipalities indicated that they were not satisfied with the services rendered by the MST. Some municipalities visited indicated that they did not have a copy of the action plan to measure the progress against and would just routinely sign the invoices in view of the MSTs involvement at the municipality.

(ii) *Subsistence and travel expenses*

Although the contract with MSTs indicated that S&T as well as fees would be dealt with in accordance with circular 6 of 99 of The South African Institute of Chartered Accountants, the department reimbursed MSTs for expenditure, which was not in line with normal practice.

(f) **Capacity building**

Capacity building was an important element of the MST in establishing sustainability at municipalities. Staff turnover, the demarcation of municipalities as well as the lack of available formal training for municipal staff all impacted to different extents on the capacity levels at municipalities that in turn

affected the output of municipalities. Capacity remained inadequate despite various resolutions taken by the Provincial Public Accounts Committee in respect of the capacity of municipal staff. Skills transfer to staff was one of the functions of the MSTs and formed a very important part of capacity building at municipalities. Although the MSTs indicated in their action plans that skills transfer would take place measurable objectives, milestones and target dates were not set. The outcomes of the work could therefore not be formally measured. The success of skills transfer at municipalities was discussed with senior management at the municipalities in an effort to gain insight into the progress made in this regard. During these discussions most of the staff indicated that effective skills transfer did not take place. The following problems were identified as the main impediments in this situation:

(i) *Lack of staff for capacity building*

At some municipalities sufficient staff that could be trained, particularly in the financial sections, were not available.

(ii) *Different software*

At a Transitional Local Council (TLC), the MST staff used their own software that differed from that of the municipality, to process the municipality's data. The difference in software created a barrier and impacted negatively on the transfer of skills. Furthermore, the cost of updating/ converting the processed information to the system amounted to R19 742, which was additional to the processing cost and had to be paid by the municipality.

(iii) *Location of MST*

The distance between the MSTs offices and the municipalities hampered the transfer of skills. For example, the data collected at a TLC was processed in Bloemfontein at the MSTs office. The town clerk usually met the MST staff in Bloemfontein at the municipality's cost.

(iv) *Skills of MST staff*

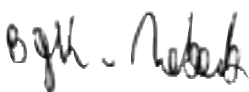
In certain cases it was found that the MST staff were not in a position to transfer skills, as their own work did not meet the required standards in, for example, the compilation of the financial statements.

#### 4.2.7 Submission of financial statements

The financial statements originally submitted were subjected to a high level review to determine whether or not they can be accepted for audit purposes. A number of material errors and inconsistencies with prescribed accounting practice have been identified. Corrected financial statements were only submitted on 20 June 2003, which is regarded as a resubmission, while final statements were only received on 31 July 2003 after correcting journals were processed by the Provincial Treasury.

## 5. APPRECIATION

The assistance rendered by the staff of the department during the audit is sincerely appreciated.



B.J.K. van Niekerk  
for **AUDITOR-GENERAL**  
Bloemfontein  
13 August 2003

## DEPARTMENT LOCAL GOVERNMENT AND HOUSING VOTE 8

### STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS for the year ended 31 MARCH 2003

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, 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 1999 (Act No. 1 of 1999) (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

#### 1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

#### 2 Revenue

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the Provincial Revenue Fund.

#### 3 Donor aid

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

#### 4 Current expenditure

Current expenditure is recognised in the income statement when the payment is made.

#### 5 Unauthorised, irregular, fruitless and wasteful expenditure

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

## 6 Debts written off

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

## 7 Capital expenditure

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed i.e. written off in the income statement when the payment is made.

## 8 Investments

Marketable securities are carried at market value. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the same marketable security are charged to the income statement. Increases/decreases in the carrying amount of marketable securities classified as current assets are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. On disposal of a marketable security classified as a non-current asset, amounts in revaluation and other reserves relating to that marketable security, are transferred to retained earnings.

## 9 Investments in controlled entities

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

## 10 Receivables

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

## 11 Payables

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to either the Provincial Revenue Fund or another party.

## 12 Provisions

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

## 13 Lease commitments

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

## 14 Accruals

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, OR an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

## 15 Employee benefits

### *Short-term employee benefits*

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement."

### *Termination benefits*

Termination benefits are recognised and expensed only when the payment is made.

### *Retirement benefits*

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. 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.

### *Medical benefits*

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

Post retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

## 16 Capitalisation reserve

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised, or deposits paid on behalf of employees of a foreign mission, for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

## 17 Recoverable revenue

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

## 18 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The comparative figures shown in these financial statements are limited to the figures shown in the previous year's audited financial statements and such other comparative figures that the department may reasonably have available for reporting.

**DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**for the year ended 31 MARCH 2003**

PROGRAMME	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>1 Administration</b>									
Current	15,482	-	15,482	10,225	5,257	66.04%	8,848	7,999	
Capital	1,909	-	1,909	1,909	-	100.00%	-	-	
<b>2 Technical Advisory Services</b>									
Current	3,748	-	3,748	3,004	744	80.15%	2,664	2,466	
Capital	272	-	272	272	-	100.00%	-	-	
<b>3 Spatial Planning</b>									
Current	11,618	-	11,618	8,122	3,496	69.91%	10,932	8,635	
Capital	5	-	5	5	-	100.00%	-	-	
<b>4 Land Use Administration</b>									
Current	7,481	300	7,781	4,410	3,371	56.68%	5,537	4,849	
Capital	251	-	251	251	-	100.00%	123	123	
<b>5 Housing</b>									
Current	31,408	1,100	32,508	15,654	16,854	48.15%	13,941	11,517	
Capital	309	-	309	309	-	100.00%	115	115	
<b>6 Housing Aid and Financing</b>									
Current	-	-	-	-	-	0.00%	-	-	
Capital	291,015	(1,100)	289,915	287,715	2,200	99.24%	260,485	251,846	
<b>7 Urban and Rural Planning Development</b>									
Current	-	-	-	-	-	0.00%	59,182	51,605	
Capital	-	-	-	-	-	0.00%	-	-	
<b>8 Financial Management and Advice</b>									
Current	49,949	(9,468)	40,481	26,943	13,538	66.56%	47,212	26,664	
Capital	198	-	198	198	-	100.00%	-	-	
<b>9 Auxillary and Associated Services</b>									
Current	20,068	9,168	29,236	18,892	10,344	64.62%	13,740	13,740	
Capital	47,935	-	47,935	21,565	26,370	44.99%	36,166	15,244	
<b>10 Local Government Establishment</b>									
Current	5,784	-	5,784	4,305	1,479	74.43%	4,371	3,603	
Capital	414	-	414	414	-	100.00%	-	-	
<b>11 Traditional Affairs</b>									
Current	8,706	-	8,706	7,221	1,485	82.94%	8,590	7,831	
Capital	295	-	295	295	-	100.00%	45	45	
<b>12 Special Functions</b>									
Current	-	-	-	139	(139)	0.00%	-	294	
Capital	-	-	-	-	-	-	-	-	
<b>TOTAL</b>	<b>496,847</b>	<b>-</b>	<b>496,847</b>	<b>411,848</b>	<b>84,999</b>	<b>82.89%</b>	<b>471,951</b>	<b>406,576</b>	

DIRECT CHARGE AGAINST THE NATIONAL REVENUE FUND	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
Provinces Equitable Share/ Conditional Grants	496,847	-	496,847	411,848	84,999	82.89%	471,951	406,576	
<b>TOTAL</b>	<b>496,847</b>	<b>-</b>	<b>496,847</b>	<b>411,848</b>	<b>84,999</b>	<b>82.89%</b>	<b>471,951</b>	<b>406,576</b>	
ECONOMIC CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>Current</b>									
Personnel	53,960	(4,971)	48,989	39,249	9,740	80.12%	97,638	88,311	
Transfer payments	37,573	(10,553)	27,020	23,923	3,097	88.54%	31,920	14,968	
Other	63,811	15,524	79,335	35,743	43,592	45.05%	49,011	35,924	
<b>Capital</b>									
Transfer payments	337,850	-	337,850	309,280	28,570	91.54%	292,582	267,090	
Acquisition of capital assets	3,653	-	3,653	3,653	-	100.00%	800	283	
<b>TOTAL</b>	<b>496,847</b>	<b>-</b>	<b>496,847</b>	<b>411,848</b>	<b>84,999</b>	<b>82.89%</b>	<b>471,951</b>	<b>406,576</b>	
STANDARD ITEM CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
Personnel	53,960	(4,971)	48,989	39,249	9,740	80.12%	97,638	88,311	
Administrative	8,923	1,008	9,931	7,418	2,513	74.70%	6,796	5,250	
Inventories	1,808	512	2,320	1,425	895	61.42%	1,334	1,060	
Equipment	6,330	1,736	8,066	4,548	3,518	56.38%	3,761	2,516	
Professional and special services	47,403	(10,553)	36,850	23,806	13,044	64.60%	34,895	24,239	
Transfer payments	375,423	12,268	387,691	333,203	54,488	85.95%	324,502	282,058	
Miscellaneous	3,000	-	3,000	2,060	940	68.67%	3,025	2,848	
Special functions	-	-	-	139	(139)	0.00%	-	294	
<b>TOTAL</b>	<b>496,847</b>	<b>-</b>	<b>496,847</b>	<b>411,848</b>	<b>84,999</b>	<b>82.89%</b>	<b>471,951</b>	<b>406,576</b>	

**DETAIL PER PROGRAMME 1 ADMINISTRATION**  
for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>1.1 MEC</b>								
Current	3,948	-	3,948	1,886	2,062	47.77%		2,265
Capital	134	-	134	134	-	100.00%		
<b>1.2 SUPPORT SERVICES</b>								
Current	9,711	-	9,711	7,388	2,323	76.08%		5,734
Capital	1,775	-	1,775	1,775	-	100.00%		
<b>1.3 COMMUNICATION</b>								
Current	1,823	-	1,823	951	872	52.17%		-
<b>TOTAL</b>	<b>17,391</b>	<b>-</b>	<b>17,391</b>	<b>12,134</b>	<b>5,257</b>	<b>69.77%</b>	<b>-</b>	<b>7,999</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Current								
Personnel	9,305	(1,448)	7,857	5,335	2,522	67.90%		5,499
Transfer payments	-	-	-	-	-	0.00%		-
Other	6,177	1,448	7,625	4,890	2,735	64.13%		2,500
Capital								
Acquisition of capital assets	1,909	-	1,909	1,909	-	100.00%		-
<b>TOTAL</b>	<b>17,391</b>	<b>-</b>	<b>17,391</b>	<b>12,134</b>	<b>5,257</b>	<b>69.77%</b>	<b>-</b>	<b>7,999</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Personnel	9,305	(1,448)	7,857	5,335	2,522	67.90%		5,499
Administration	(3,537)	640	4,177	3,090	1,087	73.98%		1,157
Inventories	621	263	884	795	89	89.93%		468
Equipment	3,201	615	3,816	2,251	1,565	58.99%		636
Professional and special services	727	(70)	657	663	(6)	100.91%		239
<b>TOTAL</b>	<b>17,391</b>	<b>-</b>	<b>17,391</b>	<b>12,134</b>	<b>5,257</b>	<b>69.77%</b>	<b>-</b>	<b>7,999</b>

**DETAIL PER PROGRAMME 2 TECHNICAL ADVISORY SERVICES**  
for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>2.1 TECH. ADV. SERVICES</b>								
Current	3,748	-	3,748	3,004	744	80.15%		2,466
Capital	272	-	272	272	-	100.00%		
<b>TOTAL</b>	<b>4,020</b>	<b>-</b>	<b>4,020</b>	<b>3,276</b>	<b>744</b>	<b>81.49%</b>	<b>-</b>	<b>2,466</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Current								
Personnel	2,048	-	2,048	1,356	692	66.21%		715
Other	1,700	-	1,700	1,648	52	96.94%		1,751
Capital								
Acquisition of capital assets	272	-	272	272	-	100.00%		-
<b>Total</b>	<b>4,020</b>	<b>-</b>	<b>4,020</b>	<b>3,276</b>	<b>744</b>	<b>81.49%</b>	<b>-</b>	<b>2,466</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Personnel	2,048	-	2,048	1,356	692	66.21%		715
Administrative	433	-	433	297	136	68.59%		220
Inventories	22	-	22	22	-	100.00%		10
Equipment	42	-	42	5	37	11.90%		71
Professional and special services	1,475	-	1,475	1,596	(121)	108.20%		1,450
<b>Total</b>	<b>4,020</b>	<b>-</b>	<b>4,020</b>	<b>3,276</b>	<b>744</b>	<b>81.49%</b>	<b>-</b>	<b>2,466</b>

### DETAIL PER PROGRAMME 3 SPATIAL PLANNING for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>3.1 SPATIAL PLANNING</b>									
Current	11,618	-	11,618	8,122	3,496	69.91%		8,635	
Capital	5	-	5	5	-	100.00%		-	
<b>TOTAL</b>	<b>11,623</b>	<b>-</b>	<b>11,623</b>	<b>8,127</b>	<b>3,496</b>	<b>69.92%</b>	<b>-</b>	<b>8,635</b>	
ECONOMIC CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>Current</b>									
Personnel	6,528	(100)	6,428	5,452	976	84.82%		4,935	
Transfer payments	-	3,100	3,100	1,399	1,701	45.13%		-	
Other	5,090	(3,000)	2,090	1,271	819	60.81%		3,700	
<b>Capital</b>									
Acquisition of capital assets	5	-	5	5	-	100.00%		-	
<b>TOTAL</b>	<b>11,623</b>	<b>-</b>	<b>11,623</b>	<b>8,127</b>	<b>3,496</b>	<b>69.92%</b>	<b>-</b>	<b>8,635</b>	
STANDARD ITEM CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
Personnel	6,528	(100)	6,428	5,452	976	84.82%		4,935	
Administrative	442	11	453	332	121	73.29%		257	
Inventories	162	32	194	99	95	51.03%		46	
Equipment	644	157	801	450	351	56.18%		406	
Professional and special services	3,847	(3,200)	647	395	252	61.05%		2,991	
Transfer payments	-	3,100	3,100	1,399	1,701	45.13%		-	
<b>TOTAL</b>	<b>11,623</b>	<b>-</b>	<b>11,623</b>	<b>8,127</b>	<b>3,496</b>	<b>69.92%</b>	<b>-</b>	<b>8,635</b>	

### DETAIL PER PROGRAMME 4 LAND USE ADMINISTRATION for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>4.1 LAND USE ADMINIS.</b>									
Current	7,481	300	7,781	4,410	3,371	56.68%		4,849	
Capital	251	-	251	251	-	100.00%		123	
<b>TOTAL</b>	<b>7,732</b>	<b>300</b>	<b>8,032</b>	<b>4,661</b>	<b>3,371</b>	<b>58.03%</b>	<b>-</b>	<b>4,972</b>	
ECONOMIC CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>Current</b>									
Personnel	4,496	(269)	4,227	3,428	799	81.10%		3,675	
Transfer payments	1,500	-	1,500	-	1,500	0.00%		-	
Other	1,485	569	2,054	982	1,072	47.81%		1,174	
<b>Capital</b>									
Acquisition of capital assets	251	-	251	251	-	100.00%		123	
<b>TOTAL</b>	<b>7,732</b>	<b>300</b>	<b>8,032</b>	<b>4,661</b>	<b>3,371</b>	<b>58.03%</b>	<b>-</b>	<b>4,972</b>	
STANDARD ITEM CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
Personnel	4,496	(269)	4,227	3,428	799	81.10%		3,675	
Administrative	926	333	1,259	848	411	67.36%		807	
Inventories	100	-	100	51	49	51.00%		38	
Equipment	125	270	395	284	111	71.90%		354	
Professional and special services	585	(34)	551	50	501	9.07%		98	
Transfer payments	1,500	-	1,500	-	1,500	0.00%		-	
<b>TOTAL</b>	<b>7,732</b>	<b>300</b>	<b>8,032</b>	<b>4,661</b>	<b>3,371</b>	<b>58.03%</b>	<b>-</b>	<b>4,972</b>	

DETAIL PER PROGRAMME 5 HOUSING  
for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>5.1 HOUSING</b>									
Current	31,408	1,100	32,508	15,654	16,854	48.15%		11,517	
Capital	309		309	309	-	100.00%		115	
<b>TOTAL</b>	<b>31,717</b>	<b>1,100</b>	<b>32,817</b>	<b>15,963</b>	<b>16,854</b>	<b>48.64%</b>	<b>-</b>	<b>11,632</b>	
ECONOMIC CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>Current</b>									
Personnel	11,964	(1,189)	10,775	8,761	2,014	81.31%		8,337	
Transfer payments	14,905	1,100	16,005	3,633	12,372	22.70%		572	
Other	4,539	1,189	5,728	3,260	2,468	56.91%		2,608	
<b>Capital</b>									
Acquisition of capital assets	309	-	309	309	-	100.00%		115	
<b>TOTAL</b>	<b>31,717</b>	<b>1,100</b>	<b>32,817</b>	<b>15,963</b>	<b>16,854</b>	<b>48.64%</b>	<b>-</b>	<b>11,632</b>	
STANDARD ITEM CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
Personnel	11,964	(1,189)	10,775	8,761	2,014	81.31%		8,337	
Administrative	1,600	25	1,625	1,204	421	74.09%		1,241	
Inventories	400	157	557	258	299	46.32%		220	
Equipment	1,598	(280)	1,318	439	879	33.31%		391	
Professional and special services	1,250	1,287	2,537	1,668	869	65.75%		871	
Transfer payments	14,905	1,100	16,005	3,633	12,372	22.70%		572	
<b>TOTAL</b>	<b>31,717</b>	<b>1,100</b>	<b>32,817</b>	<b>15,963</b>	<b>16,854</b>	<b>48.64%</b>	<b>-</b>	<b>11,632</b>	

DETAIL PER PROGRAMME 6 HOUSING AND FINANCIAL AID  
for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>6.1 HOUSING AND FIN.AID</b>									
Capital	291,015	(1,100)	289,915	287,715	2,200	99.24%		251,846	
<b>TOTAL</b>	<b>291,015</b>	<b>(1,100)</b>	<b>289,915</b>	<b>287,715</b>	<b>2,200</b>	<b>99.24%</b>	<b>-</b>	<b>251,846</b>	
ECONOMIC CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
<b>Current</b>									
Capital									
Transfer payments	291,015	(1,100)	289,915	287,715	2,200	99.24%		251,846	
<b>TOTAL</b>	<b>291,015</b>	<b>(1,100)</b>	<b>289,915</b>	<b>287,715</b>	<b>2,200</b>	<b>99.24%</b>	<b>-</b>	<b>251,846</b>	
STANDARD ITEM CLASSIFICATION	2002/03							2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	
Transfer payments	291,015	(1,100)	289,915	287,715	2,200	99.24%		251,846	
<b>TOTAL</b>	<b>291,015</b>	<b>(1,100)</b>	<b>289,915</b>	<b>287,715</b>	<b>2,200</b>	<b>99.24%</b>	<b>-</b>	<b>251,846</b>	

## DETAIL PER PROGRAMME 7 URBAN AND RURAL PLANNING for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>7.1 URBAN &amp; RURAL PLAN.</b>								
Current	-	-	-	-	-	-	-	51,605
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>51,605</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Current								
Personnel	-	-	-	-	-	-	-	51,605
Capital	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>51,605</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Personnel	-	-	-	-	-	-	-	51,605
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>51,605</b>

## DETAIL PER PROGRAMME 8 FINANCIAL MANAGEMENT AND ADVINCE for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>8.1 FIN MAN &amp; ADVICE</b>								
Current	49,949	(9,468)	40,481	26,943	13,538	66.56%	-	26,664
Capital	198	-	198	198	-	100.00%	-	-
<b>TOTAL</b>	<b>50,147</b>	<b>(9,468)</b>	<b>40,679</b>	<b>27,141</b>	<b>13,538</b>	<b>66.72%</b>	<b>-</b>	<b>26,664</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Current								
Personnel	7,811	(1,201)	6,610	5,333	1,277	80.68%	-	4,553
Other	42,138	(8,267)	33,871	21,610	12,261	63.80%	-	22,111
Capital								
Acquisition of capital assets	198	-	198	198	-	100.00%	-	-
<b>TOTAL</b>	<b>50,147</b>	<b>(9,468)</b>	<b>40,679</b>	<b>27,141</b>	<b>13,538</b>	<b>66.72%</b>	<b>-</b>	<b>26,664</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Personnel	7,811	(1,201)	6,610	5,333	1,277	80.68%	-	4,553
Administrative	338	(49)	289	208	81	71.97%	-	219
Inventories	44	233	277	100	177	36.10%	-	50
Equipment	434	100	534	289	245	54.12%	-	547
Professional and special services	38,520	(8,551)	29,969	19,151	10,818	63.90%	-	18,552
Miscellaneous	3,000	-	3,000	2,060	940	68.67%	-	2,743
<b>TOTAL</b>	<b>50,147</b>	<b>(9,468)</b>	<b>40,679</b>	<b>27,141</b>	<b>13,538</b>	<b>66.72%</b>	<b>-</b>	<b>26,664</b>

**DETAIL PER PROGRAMME 9 AUXILLARY AND ASSOCIATED SERVICES**  
for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>9.1 AUX. &amp; ASS. SERVICES</b>								
Current	20,068	9,168	29,236	18,892	10,344	64.62%		13,740
Capital	47,935	-	47,935	21,565	26,370	44.99%		15,244
<b>TOTAL</b>	<b>68,003</b>	<b>9,168</b>	<b>77,171</b>	<b>40,457</b>	<b>36,714</b>	<b>52.43%</b>	<b>-</b>	<b>28,984</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>Current</b>								
Transfer payments	20,068	9,168	29,236	18,892	10,344	64.62%		13,740
<b>Capital</b>								
Transfer payments	47,935	-	47,935	21,565	26,370	44.99%		15,244
<b>TOTAL</b>	<b>68,003</b>	<b>9,168</b>	<b>77,171</b>	<b>40,457</b>	<b>36,714</b>	<b>52.43%</b>	<b>-</b>	<b>28,984</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Transfer payments	68,003	9,168	77,171	40,457	36,714	52.43%		28,984
<b>TOTAL</b>	<b>68,003</b>	<b>9,168</b>	<b>77,171</b>	<b>40,457</b>	<b>36,714</b>	<b>52.43%</b>	<b>-</b>	<b>28,984</b>

**DETAIL PER PROGRAMME 10 LOCAL GOVERNMENT ESTABLISHMENT**  
for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>10.1 LOCAL GOV ESTABLISH.</b>								
Current	5,784	-	5,784	4,305	1,479	74.43%		3,603
Capital	414	-	414	414	-	100.00%		-
<b>TOTAL</b>	<b>6,198</b>	<b>-</b>	<b>6,198</b>	<b>4,719</b>	<b>1,479</b>	<b>76.14%</b>	<b>-</b>	<b>3,603</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>Current</b>								
Personnel	4,129	(230)	3,899	3,474	425	89.10%		2,855
Other	1,655	230	1,885	831	1,054	44.08%		748
<b>Capital</b>								
Acquisition of capital assets	414	-	414	414	-	100.00%		-
<b>TOTAL</b>	<b>6,198</b>	<b>-</b>	<b>6,198</b>	<b>4,719</b>	<b>1,479</b>	<b>76.14%</b>	<b>-</b>	<b>3,603</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Personnel	4,129	(230)	3,899	3,474	425	89.10%		2,855
Administrative	940	(190)	750	458	292	61.07%		513
Inventories	170	(15)	155	46	109	29.68%		60
Equipment	100	530	630	464	166	73.65%		42
Professional and special services	859	(95)	764	277	487	36.26%		33
Miscellaneous	-	-	-	-	-	-		100
<b>TOTAL</b>	<b>6,198</b>	<b>-</b>	<b>6,198</b>	<b>4,719</b>	<b>1,479</b>	<b>76.14%</b>	<b>-</b>	<b>3,603</b>

## DETAIL PER PROGRAMME 11 TRADITIONAL AFFAIRS for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>11.1 TRAD.AFFAIRS</b>								
Current	8,706	-	8,706	7,221	1,485	82.94%		7,831
Capital	295	-	295	295	-	100.00%		45
<b>TOTAL</b>	<b>9,001</b>	<b>-</b>	<b>9,001</b>	<b>7,516</b>	<b>1,485</b>	<b>83.50%</b>	<b>-</b>	<b>7,876</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>Current</b>								
Personnel	7,679	(275)	7,404	6,109	1,295	82.51%		6,281
Other	1,027	275	1,302	1,112	190	85.41%		939
Transfer payments	-	-	-	-	-	0.00%		611
<b>Capital</b>								
Acquisition of capital assets	295	-	295	295	-	100.00%		45
<b>TOTAL</b>	<b>9,001</b>	<b>-</b>	<b>9,001</b>	<b>7,516</b>	<b>1,485</b>	<b>83.50%</b>	<b>-</b>	<b>7,876</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Personnel	7,679	(275)	7,404	6,109	1,295	82.51%		6,281
Administrative	707	136	843	980	(137)	116.25%		698
Inventories	289	(165)	124	54	70	43.55%		168
Equipment	186	344	530	367	163	69.25%		68
Transfer payments	-	-	-	-	-	0.00%		656
Professional and special services	140	(40)	100	6	94	6.00%		5
<b>TOTAL</b>	<b>9,001</b>	<b>-</b>	<b>9,001</b>	<b>7,516</b>	<b>1,485</b>	<b>83.50%</b>	<b>-</b>	<b>7,876</b>

## DETAIL PER PROGRAMME 12 SPECIAL FUNCTIONS: AUTHORISED LOSSES for the year ended 31 MARCH 2003

PROGRAMME PER SUBPROGRAMME	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>12.1 SPECIAL FUNCTIONS</b>								
Current	-	-	-	139	(139)			294
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>(139)</b>		<b>-</b>	<b>294</b>
ECONOMIC CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
<b>Current</b>								
Other	-	-	-	139	(139)			294
<b>Capital</b>								
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>(139)</b>		<b>-</b>	<b>294</b>
STANDARD ITEM CLASSIFICATION	2002/03						2001/02	
	ADJUSTED APPROPRIATION R'000	VIREMENT R'000	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000	SAVINGS (EXCESS) R'000	EXPENDITURE AS % OF REVISED ALLOCATION	REVISED ALLOCATION R'000	ACTUAL EXPENDITURE R'000
Miscellaneous	-	-	-	139	(139)			-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>139</b>	<b>(139)</b>		<b>-</b>	<b>-</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

NOTES TO THE APPROPRIATION ACCOUNT  
for the year ended 31 March 2003

**1 Detail of current and capital transfers as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in note 8 (Transfer payments) 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 (Charge to Provincial Revenue Fund) to the annual financial statements.

**3 Detail of special functions (theft and losses)**

Detail of these transactions per programme can be viewed in note 10.4 (Details of special functions) to the annual financial statements.

**4 Explanations of material variances from Amount Voted (after virement):**

**4.1 Per programme:**

**Programme 1: Administration**

The under spending was mainly due to vacant posts that were not filled and it therefore had an effect on the office equipment, IT equipment and pool vehicles.

**Programme 2: Technical Advisory Services**

The under spending of more than 2% on personnel as well as administrative items can be attributed to the fact that 6 new staff members were only appointed in January 2003. No roll over funds were requested.

**Programme 3: Spatial Planning**

The under spending of personnel 84,8% was due to the structure being approved during October 2002 which delayed the process of filling vacant posts. 3 Officials also left the service during the said financial year. Roll overs were requested as the funds allocated for the IDP process could not be spent as no municipality submitted review plans for 31 March 2003.

**Programme 4: Land Use Administration**

The under spending of more than 2% on personnel as well as administrative items can be attributed to the fact that the 6 new staff members were only appointed in January 2003. No roll overs were requested.

**Programme 5: Housing**

The under spending occurred due to funds budgeted for vacant posts and the post were not filled, provision was also made for 7 pool vehicles which could not be purchased due to approvals outstanding further the forensic audit as well as the market survey for institutional housing could not be conducted as approval from the Departmental Tender Board is still outstanding.

**Programme 6: Housing Aid and Financing**

The under spending occurred mainly due to the Flood Victims Grant and Human Settlement Grants not spent and therefore it was requested that the funds be rolled over.

**Programme 7: Urban and Rural Planning Development**

None.

**Programme 8: Financial Management and Advice**

The under spending is due to the Management Support Grant as well as the management fees regarding municipal infrastructure which was delayed. A request was submitted for these funds to be rolled over.

**Programme 9: Auxillary and Associated Services**

The under spending is due to the under-expenditure regarding municipal infrastructure as a result of contractually committed projects that did not progress as planned and therefore it was requested that the funds be rolled over.

**Programme 10: Local Government Establishment**

The under spending occurred due to funds budgeted for vacant posts and the post were not filled, the local government review conference planned was not held due to the Department Provincial and Local Government granted funds to host a local government transformation conference which replaced the review conference.

**Programme 11: Traditional Affairs**

The under spending was mainly due to vacant posts not yet being filled, the Provincial Fire Brigade Board not yet established and the operation centre which is not yet in place.

**4.2 Per standard item:**

Personnel: The under spending is regarding vacant posts not filled and those that were appointed commenced duty in January 2003. 3 Senior personnel also left the service during this period.

Administrative: ... The under spending was due to administrative costs that was made for new personnel that was not appointed.

Inventories: ... The under spending is due to stationery that was budgeted for personnel which was not appointed.

Equipment: ... The under spending was due to computer equipment as well as pool vehicles that were budgeted for but not purchased.

Professional and special services: The under spending is due to Management Support Programmes and the funds were requested to be rolled over.

Transfer payments: ... The under spending was due to municipal infrastructure projects that did not progress as planned.

Miscellaneous: The under spending was due to the pension payment of the officials previously employed by the Development Boards that decreased as a result of officials passing away.

**5 Reconciliation of appropriation statement to income statement:**

	2002/03	2001/02
	R'000	R'000
Total expenditure per Appropriation Statement	411,848	406,576
Less: Investments acquired and capitalised during the current financial year - expensed for appropriation purposes	-	-
Add: Unauthorised expenditure approved	2,003	
Add: Local and foreign aid assistance (including RDP funds)	94	-
Actual Expenditure per Income Statement	<u>413,945</u>	<u>406,576</u>

**6 Comparative amounts:**

No comparative amounts were included in the revised allocation column of the 2001/02 financial year of the details per programme as this amounts were not included in the financial statements of the 2001/2002 financial year.

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

INCOME STATEMENT (STATEMENT OF FINANCIAL PERFORMANCE)  
for the year ended 31 March 2003

	NOTE	2002/03 R'000	2001/02 R'000
<b>REVENUE</b>			
<b>Voted funds</b>			
Charge to Provincial Revenue Fund	1	496,847	471,951
Appropriation for unauthorised expenditure		2,003	-
<b>Non voted funds</b>			
Other revenue to be surrendered to the revenue fund	2	774	869
Local and foreign aid assistance (incl. RDP funds)	3	94	-
<b>TOTAL REVENUE</b>		<b>499,718</b>	<b>472,820</b>
<b>EXPENDITURE</b>			
<b>Current</b>			
Personnel	4	39,249	88,311
Administrative		7,418	5,250
Inventories	5	1,425	1,060
Machinery and Equipment	6	895	2,233
Professional and special services	7	23,806	24,239
Transfer payments	8	23,923	14,968
Miscellaneous	9	2,060	2,848
Special functions: authorised losses	10	139	294
Local and foreign aid assistance (incl. RDP funds)	3	94	-
Unauthorised expenditure approved	11	2,003	-
<b>TOTAL CURRENT EXPENDITURE</b>		<b>101,012</b>	<b>139,203</b>
<b>Capital</b>			
Machinery and Equipment	6	3,653	283
Transfer payments	8	309,280	267,090
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>312,933</b>	<b>267,373</b>
<b>TOTAL EXPENDITURE</b>		<b>413,945</b>	<b>406,576</b>
<b>NET SURPLUS /(DEFICIT)</b>		<b>85,773</b>	<b>66,244</b>
<b>NET SURPLUS /(DEFICIT) FOR THE YEAR</b>	12	<b>85,773</b>	<b>66,244</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
for the year ended 31 March 2003

ASSETS	NOTE	2002/03 R'000	2001/02 R'000
<b>Current assets</b>		<b>94,060</b>	<b>70,498</b>
Unauthorised and fruitless and wasteful expenditure	11	1,500	3,503
Cash and cash equivalents	13	90,014	53,163
Receivables	14	2,546	13,832
<b>Non-current assets</b>		<b>5,857</b>	<b>5,228</b>
Investments	15	5,857	5,228
<b>TOTAL ASSETS</b>		<b>99,917</b>	<b>75,726</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>99,857</b>	<b>75,666</b>
Voted funds to be surrendered	16	84,999	65,375
Revenue funds to be surrendered	17	-	119
Payables	18	13,358	6,669
Provisions		1,500	3,503
<b>TOTAL LIABILITIES</b>		<b>99,857</b>	<b>75,666</b>
<b>NET ASSETS/LIABILITES</b>		<b>60</b>	<b>60</b>
<b>EQUITY</b>		<b>60</b>	<b>60</b>
Recoverable revenue		60	60
<b>TOTAL EQUITY</b>		<b>60</b>	<b>60</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
for the year ended 31 March 2003

	NOTE	2002/03 R'000	2001/02 R'000
<b>Recoverable revenue</b>			
Opening balance		60	248
Transfer to Revenue Fund	17	-	(188)
Closing balance		60	60
<b>TOTAL EQUITY</b>		<b>60</b>	<b>60</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

CASH FLOW STATEMENT  
for the year ended 31 March 2003

	NOTE	2002/03 R'000	2001/02 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	19	397,932	332,748
Cash generated (utilised) to (increase)/decrease working capital	20	15,343	(14,636)
Voted funds and Revenue funds surrendered	21	(65,494)	(60,351)
Unauthorised expenditure approved	11	2,003	-
<b>Net cash flow available from operating activities</b>		<b>349,784</b>	<b>257,761</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(312,933)	(267,373)
<b>Net cash flows from operating and investing activities</b>		<b>36,851</b>	<b>(9,612)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>36,851</b>	<b>(9,612)</b>
Cash and cash equivalents at beginning of period		53,163	62,775
Cash and cash equivalents at end of period		90,014	53,163

**DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

**I Charge to Provincial Revenue Fund**

Include in the above are funds specifically and exclusively appropriated for National Departments (Voted funds) and Provincial Departments (Equitable Share):

I.1 PROGRAMMES	TOTAL APPROPRIATION 2002/03	ACTUAL	VARIANCE OVER/ (UNDER)	TOTAL APPROPRIATION 2001/ 02
1. Administration	17,391	17,391	0	8,848
2. Technical Advisory Services	4,020	4,020	0	2,664
3. Spatial Planning	11,623	11,623	0	10,932
4. Land Use Administration	8,032	8,032	0	5,660
5. Housing Administration	32,817	32,817	0	14,056
6. Housing Aid and Financing	289,915	289,915	0	260,485
7. Urban and Rural Planning Development	-	-	-	59,182
8. Financial Management and Advice	40,679	40,679	0	47,212
9. Auxilliary and Associated Services	77,171	77,171	0	49,906
10. Local Government Establishment	6,198	6,198	0	4,371
11. Traditional Affairs	9,001	9,001	0	8,635
12. Special Functions	-	-	0	-
<b>TOTAL</b>	<b>496,847</b>	<b>496,847</b>	<b>0</b>	<b>471,951</b>

I.2 CONDITIONAL GRANTS	NOTE	2002/03 R'000	2001/02 R'000
<b>Total grants received</b>	<b>Annexure I A</b>	<b>354,756</b>	<b>360,441</b>

**I.3 Explanation of material variances including whether or not application will be made for a rollover:**

Department of Housing	<b>Human Settlement Grant</b>	These funds are already committed towards a project. There was a delay in the implementation of the project due to the tender process. The funds were requested to be rolled over.
Department of Provincial and Local Government	<b>Capacity Building</b>	Due to the restructuring within the Department funds were committed towards the training of officials and for communication purposes. There was a delay in the restructuring process and therefore it was requested that the funds be rolled over to the 2003/2004 financial year.
Department of Provincial and Local Government	<b>Integrated Development Plan</b>	This amount is already committed to monitor the implementation of the Integrated Development Programmes within the various Municipalities of the Free State. As all funds are committed a request was submitted to roll over the funds.
Department of Housing	<b>Housing Flood Victims</b>	Amount is already committed in housing projects. Amount was requested to be rolled over.
Department of Provincial and Local Government	<b>Management Support Teams</b>	These funds are earmarked to assist Municipalities facing various financial difficulties. The funds are already committed in terms of technical support at Municipalities. The amount saved was requested to be rolled over to the 2003/2004 financial year.

2	<b>OTHER REVENUE TO BE SUR-RENDERED TO THE REVENUE FUND</b>	2002/03 R'000	2001/02 R'000
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Description	Note		
Gifts donations and sponsorships received	2.1	-	42
Cheques written back/stale cheques		2	-
Interest received		11	37
Refund: Previous year		39	84
Salaries recover previous financial year		1	17
Fees: Establishment of Townships		14	12
Rezoning fees		417	364
Amendment fees		11	6
Consolidation fees		27	36
Interest subsidised vehicles		-	6
Loan debt new subsidised vehicles		7	85
Rent & parking		36	-
Commission: Assurance Debtors		41	-
Debt: Damaging state property		7	-
Commission		1	-
Other		160	180
		774	869

2.1	<b>GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED BY THE DEPARTMENT</b>	2002/03 R'000	2001/02 R'000
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Nature of gift, donation and sponsorship			
MEC budget speech cash contributions		-	42
		-	42

2.2	<b>GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED IN KIND EXCLUDING RDP FUNDS BY THE DEPARTMENT (TOTAL NOT INCLUDED ABOVE)</b>	2002/03 R'000	2001/02 R'000
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Nature of gift, donation and sponsorship			
Television (37 cm Hitachi Fijian)	FVH Productions	-	1
Screen/video/sound system	ABSA	10	-
Beverages/drinks/decorations/stationary	Block Pave Development Bank of South Africa	10	-
Production of Lekgotla report (housing)		20	-
		40	1

3	<b>LOCAL AND FOREIGN AID ASSISTANCE (INCLUDING RDP)</b>
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3.1 Assistance received in cash	Open- ing Bal- ance	Rev- enue	Expenditure		Closing Balance
Name of Donor and purpose			Current	Capital	
<b>Foreign</b>					
Flemish Government: Local Government policy advice unit	-	94	94	-	-
	-	94	94	-	-

An amount of R558 000 was received from the Flemish Government but only the actual expenditure of R94 000 was transferred from the Exchequer account to the Department. The balance of R 464 000 is still available within the Exchequer account of the Provincial Treasury.

4 PERSONNEL	2002/03 R'000	2001/02 R'000
<b>4.1 Current expenditure</b>		
Basic salary costs	26,556	54,163
Pension contributions	3,934	8,203
Medical aid contributions	1,962	2,623
Other salary related costs	6,797	23,322
	39,249	88,311
 Average number of employees	 288	 283

5 INVENTORIES	2002/03 R'000	2001/02 R'000
<b>5.1 Current expenditure</b>		
<b>Inventories purchased during the year</b>		
Printing and Stationery	1,109	694
Other consumable stock	121	112
Petrol card/Fleet Management	195	254
	1,425	1,060

**5.2 Inventories on hand at year end  
(for disclosure purposes only)**

	Costing method used		
Stationery	Average price	23	
		23	

The value of inventory on hand disclosed is for main depots

6 MACHINERY AND EQUIPMENT	2002/03 R'000	2001/02 R'000
	<b>Note</b>	
Current (Rentals, maintenance and sundry net of cash discounts)	895	2,233
Capital	6.1	3,653
Total current and capital expenditure	4,548	2,516
<b>6.1 Capital machinery and equipment analysed as follows:</b>		
Computer equipment	3,397	-
Furniture and office equipment	256	-
Transport	-	283
	3,653	283

7	PROFESSIONAL AND SPECIAL SERVICES	2002/03 R'000	2001/02 R'000
<b>7.1 Current expenditure</b>			
	Auditors' remuneration	5,295	1,275
	Contractors	14,043	19,130
	Consultants and advisory services	2,372	3,493
	Commissions and committees	2,039	338
	Other	57	3
		23,806	24,239

8	TRANSFER PAYMENTS	2002/03 R'000	2001/02 R'000
		<b>Note</b>	
	Conditional grant transfers	17,453	21,914
	Other transfers	315,750	260,144
		333,203	282,058
	Analysis of payments		
	Capital	309,280	267,090
	Current	23,923	14,968
		333,203	282,058

9	MISCELLANEOUS	2002/03 R'000	2001/02 R'000
<b>9.1 Current Expenditure</b>			
	Gifts, donations and sponsorships made	-	100
	Civil pension claims/ Early retirement community service	2,060	2,743
	Other	-	5
		2,060	2,848

<b>9.2 Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)</b>			
Nature of gifts, donations and sponsorships			
	Mangaung Municipality: Healthy city project	Cash do- nation	100
		-	100
		-	100

10	SPECIAL FUNCTIONS: AUTHORIZED LOSSES	2002/03 R'000	2001/02 R'000
		<b>Note</b>	
	Material losses through criminal conduct	-	75
	Other material losses written off	139	5
	Debts written off	-	214
		139	294

**10.1 Material losses through criminal conduct**

**Nature of losses**

Criminal behaviour/Negligent other personnel	-	75
	-	75

**10.2 Other material losses written off in income statement in current period**

**Nature of losses**

Vehicle collisions (own damage)	-	3
Other losses: sundry items	139	1
Government vehicles	-	1
	139	5

**10.3 Debts written off**

**Nature of debts written off**

Other losses: debt	-	214
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**10.4 Details of special functions (theft and losses)**

**Per programme**

Programme 8: Financial Management and Advice	139	214
	139	214

11	UNAUTHORISED AND FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2002/03 R'000	2001/02 R'000
	<b>Note</b>		
	Unauthorised expenditure	1,500	3,503
		1,500	3,503
<b>11.1</b>	<b>Reconciliation of unauthorised expenditure balance</b>		
	Opening balance	3,503	3,503
	Approved by Legislature	2,003	-
	Closing balance	1,500	3,503
<b>11.2</b>	<b>Unauthorised expenditure</b>		
	<b>Incident</b>		
	<b>Reason</b>		
	Overspending 1998/1999 financial year	1,500	3,503
	Salary payment former R293 personnel	1,500	3,503



#### 14.3 Staff debtors

Salaries	-	1
Deductions	2	4
Persal	555	592
	<b>557</b>	<b>597</b>

#### 14.4 Other debtors

General Suspense account	-	12,901
Fraudulent cashed cheques	-	175
Transfer central debt	-	1
General disallowance	-	1
Dishonoured cheques	2	2
Transfer ledgers department 77	810	-
	<b>812</b>	<b>13,080</b>

#### 14.5 Advances

Nature of advances		
Subsistence and transport	48	3
Subsistence and transport: advances	8	9
	<b>56</b>	<b>12</b>

<b>15</b>	<b>INVESTMENTS</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
	<b>Investee</b>	<b>Nature of investment</b>		
	Corporation for Public Deposits	Advances	5,857	5,228
			<b>5,857</b>	<b>5,228</b>

<b>16</b>	<b>VOTED FUNDS TO BE SURRENDERED</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
		<b>Note</b>		
	Opening balance		65,375	59,413
	Transfer from income statement		84,999	65,375
	Paid during the year	21	(65,375)	(59,413)
	Closing balance		<b>84,999</b>	<b>65,375</b>

<b>17</b>	<b>REVENUE FUNDS TO BE SURRENDERED</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
		<b>Note</b>		
	Opening balance		119	-
	Transfer from income statement for revenue to be surrendered	2	774	869
	Transfer from recoverable revenue		-	188
	Paid during the year: Cash sweeping		(774)	-

Paid during the year: Revenue funds surrendered	21	(119)	(938)
Closing balance		<u>0</u>	<u>119</u>

<b>18</b>	<b>PAYABLES - CURRENT</b>	<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>

Description	Note		
Amounts owing to other departments			
Advances received	18.1	1,243	1,409
Other payables	18.2	7,208	5,260
Payables to the housing fund	18.3	4,907	0
		<u>13,358</u>	<u>6,669</u>

**18.1 Advances received**

Advances from departments	1,243	1,409
	<u>1,243</u>	<u>1,409</u>

**18.2 Other payables**

	2002/03	2001/02
	R'000	R'000
Trust funds	5,857	5,228
Unclaimed salaries and wages	-	17
Income tax	-	2
Cheque/EFT payment	-	13
General suspense account	639	-
Claims payable Telkom	5	-
Transfer debt Department 77	707	-
	<u>7,208</u>	<u>5,260</u>

**18.3 Payables to the Housing Fund**

Free State housing fund advance	4,643	-
General suspense account	264	-
	<u>4,907</u>	<u>-</u>

<b>19</b>	<b>NET CASH FLOW GENERATED BY OPERATING ACTIVITIES</b>	<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>

	Note		
Net surplus as per Income Statement	12	84,999	65,375
Adjusted for items separately disclosed		312,933	267,373
Capital expenditure		<u>312,933</u>	<u>267,373</u>
Net cash flow generated by operating activities		<u>397,932</u>	<u>332,748</u>



DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 MARCH 2003

These amounts are not recognised in the financial statements, and are 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), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

22	CONTINGENT LIABILITIES		2002/03 R'000	2001/02 R'000
	<b>Liable to</b>	<b>Nature</b>	<b>Note</b>	
	Housing loan guarantees	Employees	Annexure 2	
			760	1,120
			<u>760</u>	<u>1,120</u>
23	COMMITMENTS		2002/03 R'000	2001/02 R'000
	<b>Current expenditure</b>			
	Approved and contracted/ordered		24,183	17,268
	Approved but not yet contracted		2,807	9,264
			<u>26,990</u>	<u>26,532</u>
	<b>Capital expenditure</b>			
	Approved and contracted/ordered		43,605	31,172
	Approved but not yet contracted		-	440
			<u>43,605</u>	<u>31,612</u>
	Total Commitments		<u>70,595</u>	<u>58,144</u>

24	ACCRUALS	2002/03 R'000	2001/02 R'000
	<b>Listed by standard Item</b>		
	Prof & Spes	325	39
	Administration	40	24
	Inventory	4	47
	Equipment	1	7
		<b>370</b>	<b>117</b>
	<b>Listed by programme level</b>		
	1 Administration	25	64
	2 Technical Advisory Services	12	2
	3 Spatial Planning	-	1
	4 Land Use Administration	17	2
	5 Housing	313	42
	10 Local Government Establishment	1	-
	11 Traditional Affairs	2	6
		<b>370</b>	<b>117</b>

25	EMPLOYEE BENEFITS	2002/03 R'000	2001/02 R'000
	Leave entitlement	4,616	510
	Thirteenth cheque	1,142	684
		<b>5,758</b>	<b>1,194</b>

26	Leases	Total 2002/03 R'000	Total 2001/02 R'000
26.1	Operating leases		
		Property	Equipment
	Name of financial institution		
	Not later than 1 year	-	448
	Later than 1 year and not later than 3 years		
	<b>Nashua</b>	1 Photostat 11	-
	<b>Minolta</b>	16 Photostat 755	-
	<b>Canon</b>	2 Photostat 27	-
	Later than 3 years		
	<b>Nashua</b>	1 Photostat 7	-
	<b>Nashua</b>	1 Fax -	-
	<b>Minolta</b>	1 Photostat 14	-
		<b>814</b>	<b>448</b>
	Future finance charges	1,175	
	Present value of lease liabilities	<b>(361)</b>	<b>448</b>

## 27 KEY MANAGEMENT PERSONNEL

## 27.1 Remuneration

The aggregate remuneration of the key management of the department and the number of individuals determined on a full time equivalent basis receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class.

	2002/03 R'000	2001/02 R'000
1 Deputy Director General	631	584
2 Chief Directors	946	-
8 Directors	3,237	2,321
1 Deputy Director	-	207
	<u>4,814</u>	<u>3,112</u>

## 28 RECEIVABLES

	2002/03 R'000	2001/02 R'000
Transactions included in receivables (General Suspence Account)		
Opening balance	12,015	-
Add: Transferred to Province	-	36,686
Less: Transferred by Provincial Treasury to Department	12,015	24,671
Closing balance	<u>-</u>	<u>12,015</u>

During the 2001/02 financial year the functions related to the payment of Municipal Infrastructure was desentralised to the District Municipalities. As the District Municipalities did not have the capacity to handle these payments approval was granted at National level that the funds be channeled through the Provincial Department. As these funds were not allocated to the Province in terms of the Division of Revenue Act, it could not be appropriated. A total amount of R 36,685,854.85 was transferred to the Province which was in total spent out of the General Suspence Account. Provincial Treasury however only transferred in the 2001/2002 financial year an amount of R 24,671,340.69. The balance of R 12,014,514.16 was only transferred in the 2002/03 financial year.

## ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS RECEIVED BY PROVINCIAL DEPARTMENTS AS AT 31 MARCH 2003

NAME OF DEPARTMENT (List each Grant per department)	GRANT ALLOCATION			EXPENDITURE			ANALYSIS		
	Division of Revenue Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available (1) R'000	Actual R'000	Unspent R'000	% of Available Spent R'000	Capital R'000	Current R'000
Department of Housing (Housing Fund)	287,715	-	-	287,715	287,715	-	100.00%	287,715	-
Department of Housing (Human Settlement Grant)	7,614	-	5,000	12,614	1,569	11,045	12.44%	-	1,569
Department of Housing (Capacity Building)	-	-	4,720	4,720	4,720	-	100.00%	-	4,720
Dept Provincial and Local Government (Capacity Building)	-	8,609	-	8,609	6,405	2,204	74.40%	-	6,405
Dept Provincial and Local Government (Int Development Plans)	-	-	300	300	-	300	0.00%	-	-
Department of Housing (Housing Flood Victims)	-	-	2,200	2,200	114	2,086	5.18%	114	-
Dept Prov & Local Gov (Management Support)	26,450	-	12,148	38,598	21,803	16,795	56.49%	-	21,803
<b>TOTAL</b>	<b>321,779</b>	<b>8,609</b>	<b>24,368</b>	<b>354,756</b>	<b>322,326</b>	<b>32,430</b>	<b>90.86%</b>	<b>287,829</b>	<b>34,497</b>

**ANNEXURE 1B  
STATEMENT OF NATIONAL DEPARTMENT GRANT TRANSFERS AS AT 31 MARCH 2003**

Grant	GRANT ALLOCATION		EXPENDITURE			SPENT		% of amount Transferred Spent R'000				
	Division of Revenue Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available (1) R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Transferred R'000		Capital R'000	Current R'000	Amount received by Province R'000	Actual amount Spent R'000
<b>CONDITIONAL GRANT TRANSFERS TO PROVINCES</b>												
<b>HUMAN SETTLEMENT</b>	7,500	114	5,000	12,614		11,046	12.43%	1,568	-	7,500	1,568	20.91%
CSR					685							
NINHAM SHAND					883							
<b>MANAGEMENT SUPPORT</b>	11,400	-	6,739	18,139	1,077	8,165	54.99%	-	9,974	11,400	9,974	87.49%
Kopanong Municipality					600							
Mohokare Municipality					1,244							
Naledi Municipality					590							
Mantsopa Municipality					174							
Masilonyana Municipality					551							
Tokologo Municipality					500							
Tswelopele Municipality					350							
Nala Municipality					299							
Setoto Municipality					1,185							
Dihlabeng Municipality					84							
Nketoana Municipality					970							
Mochaka Municipality					571							
Ngwathe Municipality					362							
Metsimaholo Municipality					1,417							
Matube Municipality						425	92.69%	-	5,911	6,377	5,911	92.69%
<b>CMIP</b>	6,377	-	-	6,377								
Lejweleputswa D/M					624							
Mangaung Municipality					1,000							
Motho District Municipality					366							
Thabo Mofutsanyana D/M					2,000							
Xhariep District Municipality					488							
Matjhabeng Municipality					614							
Northern Free State D/M					819							
	25,277	114	11,739	37,130	17,453	19,677	47.01%	1,568	15,885	25,277	17,453	69.05%

## ANNEXURE 1C STATEMENT OF OTHER TRANSFERS BY NATIONAL/PROVINCIAL DEPARTMENT AS AT 31 MARCH 2003

(List each Transfer by Entity/ Institution)	GRANT ALLOCATION				Actual Transfer	EXPENDITURE			SPENT		Actual amount Spent	% of amount Transferred Spent
	Appropriations Act	Adjustments Estimate	Roll Overs	Total Available (1)		Amount not Transferred	% of Available Transferred	Capital	Current	Amount received by Province		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>HOUSING FUND</b>	283,097	4,618	-	287,715	287,715	-	100.00%	287,715	-	287,715	192,503	66.91%
<b>CAPACITY BUILDING</b>	1,100	-	-	1,100	982	118	89.27%	-	982	1,100	982	89.27%
<b>INFORMAL SETTLEMENTS</b>	1,863	-	428	2,291		1,208	47.27%	-	1,083	2,291	1,083	47.27%
Letsemeng					82							
Mohokare					105							
Naledi					43							
Ngwathe					152							
Kopanong					130							
Phumelela					96							
Setsoto					134							
Tokologo					80							
Tswelopele					204							
Mafube					57							
<b>FLOOD VICTIMS</b>	-	-	2,200	2,200		2,085	0.00%	115	-	2,200	115	5.23%
Maluti-a-Phofung					115							
<b>IDPs</b>	1,400	-	1,700	3,100		1,701	45.13%	-	1,399	3,100	1,399	45.13%
Xhariep D/M					56							
Letsemeng Municipality					56							
Kopanong Municipality					56							
Mohokare Municipality					56							
Motheo D/M					56							
Naledi Municipality					56							
Mangaung Municipality					56							
Mantsopa Municipality					56							
Lejweleputswa D/M					56							
Mailonyana Municipality					56							
Tokologo Municipality					56							
Tswelopele Municipality					55							
Matjhabeng Municipality					56							
Nala Municipality					56							
Thabo Mofutsanyana D/M					56							
Setsoto Municipality					56							
Dihlabeng Municipality					56							
Nketoana Municipality					56							
Maluti-a-Phofung Mun					56							
Phumelela Municipality					56							
Northern Free State D/M					56							
Moqhaka Municipality					56							
Ngwathe Municipality					56							
Metsimaholo Municipality					56							
Mafube Municipality					56							
<b>CMIP CAPACITY BUILDING</b>	-	-	4,720	4,720		146	96.91%	-	4,574	4,720	4,574	96.91%
Thabo Mofutsanyana					1,976							
Motheo D/M					379							
Xhariep D/M					692							
Mangaung Municipality					662							
Lejweleputswa D/M					341							
Matjhabeng					524							
<b>PROVINCIAL INFRASTRUCTURE</b>	25,978	-	21,957	47,935		28,053	41.48%	19,882	-	25,978	19,882	76.53%
Kopanong					4,038							
Mantsopa					801							
Setsoto					3,112							
Dihlabeng					4,584							
Maluti-a-Phofung					4,517							
Moqhaka					1,914							
Mafube					916							
<b>TOTAL</b>	<b>313,438</b>	<b>4,618</b>	<b>31,005</b>	<b>349,061</b>	<b>315,750</b>	<b>33,311</b>	<b>90.46%</b>	<b>307,712</b>	<b>8,038</b>	<b>327,104</b>	<b>220,538</b>	<b>67.42%</b>

- |                                |  |
|--------------------------------|--|
| 1 Housing                      | Amount already committed to housing projects and remaining funds requested to be rolled over.  |
| 2 Capacity building: Housing   | Funds were committed to the training of personnel. With the vacancies not filled all funds were spend.   |
| 3 Flood victims                | See note 1.2   |
| 4 Integrated Development Plans | See note 1.2   |
| 5 Provincial infrastructure    | Funds are committed towards 17 projects of which 12 are on construction, 2 in tender and 3 nearly completed. Projects committed to be completed during the 2003/2004 financial year. |

**ANNEXURE 2  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2003  
DOMESTIC/FOREIGN**

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 01/04/2002	Guarantees issued during the year	Guarantees Released during the year	Guarantees interest outstanding as at 31/03/2003	Closing Balance 31/03/2003
		R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	105	105	-	-	-	105
First Rand Bank	Housing	39	15	24	-	-	39
ABSA	Housing	397	303	94	188	-	209
BOE Bank	Housing	133	133	-	80	-	53
Saambou Bank	Housing	312	312	-	99	-	213
Permanent Bank	Housing	243	244	-	136	-	108
Free State Dev Corporation	Housing	41	8	33	8	-	33
<b>TOTAL</b>		<b>1,270</b>	<b>1,120</b>	<b>151</b>	<b>511</b>	<b>-</b>	<b>760</b>

**ANNEXURE 3  
PHYSICAL ASSET MOVEMENT SCHEDULE (NOT INCLUDING INVENTORIES)**

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000

**MACHINERY AND EQUIPMENT**

Computer equipment	-	3,397	-	-	-	3,397
Furniture and office equipment	-	256	-	-	-	256
	-	<b>3,653</b>	-	-	-	<b>3,653</b>

PHYSICAL ASSETS ACQUIRED DURING FINANCIAL YEAR 2001/02	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000

**MACHINERY AND EQUIPMENT**

Other machinery and equipment	-	283	-	-	-	283
	-	<b>283</b>	-	-	-	<b>283</b>

**ANNEXURE 4  
INTANGIBLE ASSET MOVEMENT SCHEDULE (NOT INCLUDING INVENTORIES)**

INTANGIBLE ASSETS ACQUIRED DURING FINANCIAL YEAR 2002/03	Opening Balance	Additions	Disposals	Transfers In	Transfers Out	Closing Balance
	R'000	R'000	R'000	R'000	R'000	R'000

Computer software	-	212	-	-	-	212
	-	<b>212</b>	-	-	-	<b>212</b>



A U D I T O R -  
G E N E R A L

**REPORT**

OF THE  
AUDITOR-GENERAL  
TO THE  
FREE STATE PROVINCIAL LEGISLATURE  
  
ON THE  
FINANCIAL STATEMENTS OF SMALL HOLDINGS TRUST FUND  
FOR THE  
YEAR ENDED 31 MARCH 2003



A U D I T O R -  
G E N E R A L

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1. AUDIT ASSIGNMENT
2. NATURE AND SCOPE
3. AUDIT OPINION
4. EMPHASIS OF MATTER
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    - 4.1.1 Trust Deed / Agreement
5. APPRECIATION

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE  
PROVINCIAL LEGISLATURE ON THE FINANCIAL  
STATEMENTS OF THE SMALL HOLDINGS TRUST FUNDS  
FOR THE YEAR ENDED 31 MARCH 2003**



A U D I T O R -  
G E N E R A L

## **1. AUDIT ASSIGNMENT**

The financial statements as set out on pages 1 to 6, for the year ended 31 March 2003 have been audited in terms of Section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with Sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

## **2. NATURE AND SCOPE**

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

I believe that the audit provides a reasonable basis for my opinion.

## **3. AUDIT OPINION**

In my opinion, the financial statements fairly present, in all material respects, the financial position of the Small Holdings Trust Funds at 31 March 2003 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice.

## **4. EMPHASIS OF MATTER**

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

### **4.1 Matters not affecting the financial statements**

#### **4.1.2 Trust Deed / Agreement**

A trust deed / agreement clearly indicating the purpose of the Trust and the utilisation of monies could not be submitted for audit purposes.

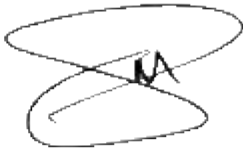
## **5. APPRECIATION**

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

B J KVAN NIEKERK  
for: Auditor-General  
Bloemfontein  
5 August 2003

TRUST FUNDS – SMALL HOLDINGS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003

- 1 CONTENTS
- 2 BALANCE SHEET
- 3 INCOME STATEMENT
- 4 STATEMENT OF CHANGES IN EQUITY
- 5 CASH FLOW STATEMENT
- 6 NOTES TO THE FINANCIAL STATEMENTS



Mr. MS Msibi  
Head of the Department  
Free State: Department of Local Government and Housing

Date: 23 June 2003

	Notes	1 April 2002 to 31 March 2003 R'000	1 April 2001 to 31 March 2002 R'000
<b>ASSETS</b>			
<b>Investments</b>			
Corporation for Public Deposits	2	5 857	5 228
<b>Total assets</b>		<b>5 857</b>	<b>5 228</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Trust Funds	2	5 857	5 228
<b>Total equity and liabilities</b>		<b>5 857</b>	<b>5 228</b>

**TRUST FUNDS – SMALL HOLDINGS**  
**INCOME STATEMENT for the year ended 31 March 2003**

	Notes	1 April 2002 to 31 March 2003 R'000	1 April 2001 to 31 March 2002 R'000
Interest received	2	629	450
<b>Net profit/(loss) for the period</b>		<b>629</b>	<b>450</b>

**TRUST FUNDS – SMALL HOLDINGS**  
**STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2003**

	Notes	Retained Earnings R'000	Total R'000
Balance at 31 March 2002		5 228	4 778
Net Profit / (Loss) for the period	2	629	450
<b>Balance at 31 March 2003</b>		<b>5 857</b>	<b>5 228</b>

**TRUST FUNDS – SMALL HOLDINGS**

**CASH FLOW STATEMENT for the year ended 31 March 2003**

	Note	1 April 2002 to 31 March 2003 R'000	1 April 2001 to 31 March 2002 R'000
--	------	---	---

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Interest received		629	450
Net cash inflow/(outflows) from operating activities		629	450

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest on investments capitalised		(629)	(450)
Net cash outflow from investing activities		(629)	(450)
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period (Note 5)		-	-

**TRUST FUNDS – SMALL HOLDINGS**

**NOTES TO THE FINANCIAL STATEMENTS at 31 March 2003**

**1. ACCOUNTING POLICY NOTES**

**1.1 BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis in accordance with the policies below. Treasury Regulation 14.3.3(d) was used as a basis to determine the appropriate accounting practice. Generally Accepted Accounting Practice has been implemented in preparing these financial statements in as far possible taking account of the fact that the systems in place at the trust Fund accounts for all transactions on a cash basis of accounting. The accounting policies thus do not fully comply with the Statements of Generally Accepted Accounting Practice.

**1.2 REVENUE RECOGNITION**

Revenue received is immediately capitalised on the respective plots.

**2. INVESTMENTS**

This investment is in terms of the following 33 plots:

Plot	Opening Balance 2002/2003	Interest capitalised	Closing Balance 2002/2003
Adaminasfontein 1029	3,492.84	419.76	3,912.60
Beslis Ond 12528 Bloemfontein	1,932.77	232.26	2,165.03
Blaaubank 303 Kroonstad	622.13	74.79	696.92
Buitenzorg Kroonstad	26,640.77	3,201.63	29,842.40
Caledonspoort 190 Fouriesburg	2,330.06	280.04	2,610.10
Constantia Bultfontein	38,073.26	4,575.57	42,648.83
Cornelia	4,234.69	508.94	4,743.63
Cyfervei No 6 Viljoenskroon	4,808.00	577.82	5,385.82
Halkyn 660 Thaba Nchu	1,258.22	151.22	1,409.44
Kleinfontein Winburg	68,999.92	8,292.26	77,292.18
La Porte Vase Kroonstad	128,424.29	15,433.79	143,858.08
Laumervillera Betlehem	1,462.46	175.76	1,638.22
Loutersbronnen Winburg	4,361.36	524.15	4,885.51
Merriesfontein Boshof	1,166.72	129.55	1,296.27
Middelpunt Glen	595.85	71.60	667.45
Mimosa 132 Senekal	57,353.38	6,892.62	64,246.00
Morgenster 132 Senekal	1,166.66	140.21	1,306.87
Nolens Volens Theunissen	11,836.19	1,422.46	13,258.65
Paradys Bloemfontein	18,572.94	2,232.05	20,804.99
Pistoriusrust Parys	47,659.33	5,727.62	53,386.95
Ramlaric	2,626.13	315.58	2,941.71
Ramlaric Ond 4	3,493.51	419.82	3,913.33
Renovaal	317,799.53	38,192.52	355,992.05
Ribblesdale Bloemfontein	3,493.39	419.82	3,913.21
Rietpan Ond Bloemfontein	1,462.02	175.65	1,637.67
Scheerpan Oost Boshof	283.74	34.11	317.85
Triangle 471 Vrede	1,314.56	157.99	1,472.55
Turin Kroonstad	5,821.71	699.64	6,521.35
Vaalrivier	1,279,120.14	153,722.13	1,432,842.27
Vaalpark	1,335,290.89	160,472.64	1,495,763.53
Vaalpower Heilbron	822,136.18	98,802.71	920,938.89
Veekraal	1,028,844.74	123,644.52	1,152,489.26
Yarraweah	1,738.05	208.99	1,947.04
<b>TOTAL</b>	<b>5,228,416.43</b>	<b>628,330.22</b>	<b>5,856,746.65</b>

## PART 4 HUMAN RESOURCES MANAGEMENT



## PART 4: HUMAN RESOURCES MANAGEMENT

### I. VOTED FUNDS

<b>TOTAL AMOUNT APPROPRIATED FOR THE FINANCIAL YEAR 2002/2003</b>	R 496 847 000
<b>RESPONSIBLE MEMBER OF THE EXECUTIVE COUNCIL (MEC)</b>	S. L.TSENOLI
<b>ACCOUNTING OFFICER</b>	M. S. MSIBI

### 2. SERVICE DELIVERY

Table 2.1 Main services provided and standards

MAIN SERVICES	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
<b>HOUSING DELIVERY</b>	Rural communities Homeless people and those that qualify in terms of the housing scheme	Rural communities Homeless people All that qualify in terms of the housing scheme	12 000 units planned	10 400 units built
<b>LOCAL GOVERNMENT</b>	Municipalities	All municipalities and communities	Support and advice for municipalities.	A total of R26.4 million was used to assist 21 of the 25 municipalities with their treasury functions. Settling municipalities' accounts for bulk supplies thus improving their financial positions. A total of 120 officials and councillors benefited from a capacity building on housing related issues.
<b>LAND DEVELOPMENT/ SPATIAL PLANNING</b>	Consultants Communities Municipalities	Consultants Communities Municipalities	On average 800 applications for land development are received per annual for advice to be provided.	A total of 90% applications were handled, and advice were provided.

<b>DISASTER MANAGEMENT</b>	Communities Municipalities	Communities Municipalities	Disaster prevention/ management	Managed disasters and incidents effectively.  Conducted capacity building workshops for disaster prevention and management.
<b>TRADITIONAL AFFAIRS</b>	Communities Traditional leaders House of traditional leaders Traditional Councils	Communities Traditional leaders House of traditional leaders Traditional Councils	Sound traditional affairs	Agreement and overall contribution on the content of the White Paper is indicative of a move towards achievement of sound traditional affairs related matters.

Table 2.2 Consultation arrangements with customers

TYPE OF ARRANGEMENT	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	ACTUAL ACHIEVEMENTS
Road shows Formal meetings Makgotla Informal meetings	Rural communities Homeless people All that qualify in terms of the housing scheme All municipalities	Rural communities Homeless people All that qualify in terms of the housing scheme All municipalities	More consultation with customers

Table 2.3 – Service Delivery Access Strategy

ACCESS STRATEGY	ACTUAL ACHIEVEMENT
Road shows Formal meetings Makgotla Informal meetings	Easier accessibility of the Department to target publics.

Table 2.4 Service information tool

TYPES OF INFORMATION TOOLS	ACTUAL ACHIEVEMENT
Road shows Formal meetings Makgotla Informal meetings Website	Creation of awareness of the department among stakeholders and information sharing with target audience.

Table 2.5 Complaints mechanism

COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENT
Road shows Formal meetings Makgotla Informal meetings	Complaints handled adequately

### 3. EXPENDITURE

Table 3.1 Personnel costs per programme

PROGRAMME	TOTAL EXPENDITURE	PERSONNEL EXPENDITURE	TRAINING EXPENDITURE *	PROF AND SPEC SERVICES	PERSONNEL COST AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE	EMPLOYMENT
1	R12 134 186	R5 335 298	R247 097	R663 310	44%	R136 803	39
2	R3 276 779	R1 356 432	0	R1 596 000	41%	R71 391	19
3	R8 127 511	R5 452 063	R17659	R394 622	67%	R175 873	31
4	R4 660 643	R3 427 764	R0	R50 056	74%	R142 824	24
5	R15 963 001	R8 761 393	R18423	R1 668 347	3%	R120 019	73
8	R27 140 684	R5 332 866	0	R19 151 628	20%	R124 020	43
10	R4 718 760	R3 474 173	0	R277 084	74%	R151 051	23
11	R7 515 600	R6 108 864	R6500	R5 577	82%	R138 838	36+8 (additional)=44
<b>TOTAL</b>	<b>R83 537 164</b>	<b>R39 248 853</b>	<b>R289 679</b>	<b>R23 806 625</b>	<b>11%</b>	<b>R132 598</b>	<b>296</b>

- All training expenditure paid out of Programme 1
- Additional eight people

Table 3.2 Salaries, Overtime, Homeowners Allowance and Medical Assistance by programme

PROGRAMME	SALARIES		OVERTIME		HOMEOWNERS ALLOWANCE		MEDICAL ASSISTANCE	
	Amount	Salaries as a % of personnel cost	Amount	Overtime as a % of personnel cost	Amount	HOA as a % of personnel cost	Amount	Med asst as % of personnel cost
1	R3 625 446	68%	0	0	R127 388	2%	R215 210	4%
2	R974 143	72%	0	0	R26 519	2%	R64 456	5%
3	R4 051 486	74%	0	0	R123 135	2%	R284 397	5%
4	R2 471 131	72%	0	0	R63 145	2%	R198 301	6%
5	R6 231 971	71%	0	0	R246 287	3%	R538 876	6%
8	R3 909 325	73%	0	0	R105 021	2%	R279 080	5%
10	R2 482 402	72%	0	0	R102 165	3%	R183 651	5%
11	R2 810 402	46%	0	0	R76 282	1%	R197 595	3%
<b>TOTAL</b>	<b>R26 556 306</b>	<b>68%</b>	<b>0</b>	<b>0</b>	<b>R869 943</b>	<b>2%</b>	<b>R1 961 565</b>	<b>5%</b>

#### 4. EMPLOYMENT AND VACANCIES

Table 4.1 Employment and vacancies by programme

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
1	87	39	55%	0
2	35	19	46%	0
3	45	31	31%	0
4	47	24	49%	0
5	118	73	38%	0
8	86	43	50%	0
10	64	23	64%	0
11	50	36	28%	8
<b>TOTAL</b>	<b>532</b>	<b>288</b>	<b>46%</b>	<b>8</b>

Table 4.2 Employment and vacancies by salary band

SALARY BAND	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
LOWER SKILLED LEVELS 1-2	12	10	17%	7
SKILLED LEVELS 3-5	116	50	57%	1
HIGHLY SKILLED PRODUCTION LEVELS 6-8	279	160	43%	0
HIGHLY SKILLED SUPERVISION LEVELS 9-12	110	58	47%	0
SMS LEVELS 13-16	15	10	33%	8
<b>TOTAL</b>	<b>532</b>	<b>288</b>	<b>46%</b>	<b>8</b>

Table 4.3 Employment and vacancies by critical occupations

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
MANAGEMENT	15	10	33%	0
INFORMATION TECHNOLOGY	12	4	67%	0
ORGANISATIONAL DEVELOPMENT	12	3	75%	0
TECHNICAL/ENGINEERING RELATED ADVISORY SERVICES	35	20	43%	0
<b>TOTAL</b>	<b>74</b>	<b>37</b>	<b>50%</b>	<b>0</b>

## 5. JOB EVALUATION

Table 5.1 Job evaluation

SALARY BAND	NUMBER OF POSTS	NUMBER OF JOBS EVALUATED	% OF POSTS EVALUATED	POST UPGRADED		POSTS DOWN GRADED	
				NUMBER	% OF POSTS EVALUATED	NUMBER	% OF POSTS EVALUATED
LOWER SKILLED LEVELS 1-2	12	0	0	0	0	0	0
SKILLED LEVELS 3-5	116	0	0	0	0	0	0
HIGHLY SKILLED PRODUCTION LEVELS 6-8	279	0	0	0	0	0	0
HIGHLY SKILLED SUPERVISION LEVELS 9-12	110	22	20%	0	0	0	0
SMS LEVELS 13-16	15	14*	93%	0	0	0	0
<b>TOTAL</b>	<b>532</b>	<b>36</b>	<b>7%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Private secretary of the MEC in terms of Ministerial handbook

Table 5.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
FEMALE	0	0	0	0	0
MALE	0	0	0	0	0
TOTAL	0	0	0	0	0
EMPLOYEES WITH A DISABILITY	0	0	0	0	0

Table 5.3 Employees whose salary level exceed the grade determined by job evaluation

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR THE DEVIATION
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE LEVEL DETERMINED BY JOB EVALUATION IN 2002/2003</b>				0
<b>% OF TOTAL EMPLOYMENT</b>				0

Table 5.4 Profile of employees whose salary level exceeded the grade determined by job evaluation

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
FEMALE	0	0	0	0	0
MALE	0	0	0	0	0
TOTAL	0	0	0	0	0
EMPLOYEES WITH A DISABILITY	0	0	0	0	0

## 6. EMPLOYMENT CHANGES

Table 6.1 Annual turnover rates by salary band

SALARY BAND	NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2002	APPOINTMENTS AND TRANSFERS INTO THE DEPT	TERMINATIONS AND TRANSFERS OUT OF DEPT	TURNOVER RATE
LOWER SKILLED LEVELS 1-2	17	0	0	0
SKILLED LEVELS 3-5	45	9	1	22%
HIGHLY SKILLED PRODUCTION LEVELS 6-8	160	8	4	8%
HIGHLY SKILLED SUPERVISION LEVELS 9-12	54	6	6	22%
SMS LEVELS 13-16	7	4	3	100%
<b>TOTAL</b>	<b>283</b>	<b>27</b>	<b>14</b>	<b>15%</b>

Table 6.2 Annual turnover rates by critical occupation

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AS ON 1 APRIL 2002	APPOINTMENTS AND TRANSFERS INTO THE DEPT	TERMINATIONS AND TRANSFERS OUT OF DEPT	TURNOVER RATE
MANAGEMENT	7	2	3	56%
INFORMATION TECHNOLOGY	2	3	0	25%
ORGANISATIONAL DEVELOPMENT	3	0	0	0%
TECHNICAL/ ENGINEERING RELATED ADVISORY SERVICES	5	5	0	14%
<b>TOTAL</b>	<b>17</b>	<b>10</b>	<b>3</b>	<b>19%</b>

Table 6.3 Reasons why staff is leaving the department

TERMINATION TYPE	NUMBER	% OF TOTAL
DEATH	1	0.3%
RESIGNATION	11	3.7%
EXPIRY OF CONTRACT	0	0
DISMISSAL/OPERATIONAL CHANGES	0	0
DISMISSAL/MISCONDUCT	0	0
DISMISSAL/INEFFICIENCY	0	0
DISCHARGE DUE TO ILL-HEALTH	1	0.3%
RETIREMENT	0	0
TRANSFERS TO OTHER PUBLIC SERVICE DEPTS	1	0.3%
OTHER	0	0
<b>TOTAL</b>	<b>14</b>	<b>4.7%</b>
<b>TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT</b>		<b>5%</b>

Table 6.4 Promotions by critical occupation

OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF THE PERIOD 1 APRIL 2002	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION	PROGRESSION TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION
MANAGEMENT	7	0	0	0	0
INFORMATION TECHNOLOGY	2	0	0	0	0
ORGANISATIONAL DEVELOPMENT	3	0	0	1	33.30
TECHNICAL/ ENGINEERING RELATED ADVISORY SERVICES	5	1	20%	0	0
<b>TOTAL</b>	<b>17</b>	<b>1</b>	<b>6%</b>	<b>1</b>	<b>5.9</b>

Table 6.5 Promotions by salary band

SALARY BAND	NUMBER OF EMPLOYEES AS ON 1 APRIL 2002	PROMOTIONS TO ANOTHER SALARY LEVEL	SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY SALARY BAND	PROGRESSION TO ANOTHER NOTCH WITHIN A SALARY LEVEL	NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY SALARY BAND
LOWER SKILLED LEVELS 1-2	17	0	0	0	0
SKILLED LEVELS 3-5	45	2	4%	7	16%
HIGHLY SKILLED PRODUCTION LEVELS 6-8	160	5	3%	20	13%
HIGHLY SKILLED SUPERVISION LEVELS 9-12	54	5	9%	0	17%
SMS LEVELS 13-16	7	2	29%	0	0
<b>TOTAL</b>	<b>283</b>	<b>14</b>	<b>5%</b>	<b>27</b>	<b>10%</b>

7. EMPLOYMENT EQUITY

Table 7.1 Total number of employees in each of the following occupational categories

OCCUPATIONAL CATEGORIES (SASCO)	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	6	0	0	2	2	0	0	0	10
PROFESSIONALS PERMANENT	38	1	0	40	21	1	0	50	151
CLERKS PERMANENT	36	0	0	9	36	3	0	28	112
CRAFT AND RELATED TRADEWORKERS PERMANENT	6	1	0	0	0	0	0	1	8

ELEMENTARY OCCUPATIONS PERMANENT	4	0	0	0	3	0	0	0	7
<b>TOTAL</b>	<b>90</b>	<b>2</b>	<b>0</b>	<b>51</b>	<b>62</b>	<b>4</b>	<b>0</b>	<b>79</b>	<b>288</b>

Table 7.2 Total number of employees (including employees with disabilities) in each of the following occupational bands

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT	1	0	0	0	0	0	0	0	1
SENIOR MANAGEMENT	5	0	0	2	2	0	0	0	9
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID - MANAGEMENT	14	1	0	20	10	0	0	11	56
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS	40	1	0	27	23	2	0	64	157
SEMI SKILLED AND DISCRETIONARY DECISION MAKING	21	0	0	1	21	2	0	3	48
UNSKILLED AND DEFINED DECISION MAKING	9	0	0	1	6	0	0	1	17
<b>TOTAL</b>	<b>90</b>	<b>2</b>	<b>0</b>	<b>51</b>	<b>62</b>	<b>4</b>	<b>0</b>	<b>79</b>	<b>288</b>

Table 7.3 Recruitment

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT	0	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT	2	0	0	0	2	0	0	0	4
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT	6	0	0	0	0	0	0	0	6
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS	6	0	0	2	0	0	0	0	8
SEMI SKILLED AND DISCRETIONARY DECISION MAKING	7	0	0	0	2	0	0	0	9
UNSKILLED AND DEFINED DECISION MAKING	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>

Table 7.4 Promotions

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT	0	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT	0	0	0	0	2	0	0	0	2
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID - MANAGEMENT	3	0	0	1	3	0	0	0	7
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS	0	0	0	1	2	0	0	0	3
SEMI SKILLED AND DISCRETIONARY DECISION MAKING	2	0	0	0	0	0	0	0	2
UNSKILLED AND DEFINED DECISION MAKING	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

Table 7.5 Terminations

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT	0	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT	3	0	0	0	0	0	0	0	3
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID - MANAGEMENT	3	1	0	0	1	0	0	2	7
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS	2	0	0	0	0	0	0	2	4
SEMI SKILLED AND DISCRETIONARY DECISION MAKING	0	0	0	0	2	0	0	0	2
UN SKILLED AND DEFINED DECISION MAKING	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>16</b>

Table 7.6 Disciplinary action

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
DISCIPLINARY ACTION									
DEMOTION	1	0	0	0	0	0	0	1	2
FINAL WRITTEN WARNING	1	0	0	0	1	0	0	0	2
WRITTEN WARNING	0	0	0	0	2	0	0	0	2
<b>TOTAL</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>6</b>

TABLE 7.7 Skills\*

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
LEGISLATORS, SENIOR OFFICIALS AND MANAGERS									
PROFESSIONALS									
TECHNICIANS AND ASSOCIATE PROFESSIONALS									

CLERKS									
SERVICES AND SALES WORKERS									
SKILLED AGRICULTURE AND FISHERY WORKERS									
CRAFT AND RELATED TRADE WORKERS									
PLANT AND MACHINE OPERATORS AND ASSEMBLERS									
ELEMENTARY OCCUPATIONS									
TOTAL									
EMPLOYEES WITH DISABILITIES									

\* See attached annexure

## 8. PERFORMANCE REWARDS

Table 8.1 Performance rewards by race, gender and disability - level 1-15

	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP	% OF TOTAL WITHIN GROUP	COST	AVERAGE COST PER EMPLOYEE
AFRICAN	17	160	10.6	R 97 439-84	R 5 731-76
MALE	7	90	7.7	R 41 117-04	R 5 873-86
FEMALE	10	62	16.1	R 56 322-80	R 5 632-28
ASIAN	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
COLOURED	0	6	0	0	0
Male	0	2	0	0	0
Female	0	4	0	0	0
WHITE	17	130	13.1	R 168 277-38	R 9 898-67
Male	4	51	7.8	R 20 509-36	R 5 127-34
Female	13	79	16.5	R 147 768-02	R 11 366-77
Employees with disability	I* already included at WF	6	16.7	R 15 008-22* already included it WF	R 15 008-22
<b>TOTAL</b>	<b>34</b>	<b>288</b>	<b>11.8</b>	<b>R 265 717-22</b>	<b>R 7 815-21</b>

Table 8.2 Performance rewards by salary bands for personnel below senior management service - level 1-12

SALARY BANDS	BENEFICIARY PROFILE			COST		
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS	TOTAL COST	AVERAGE COST PER EMPLOYEE (BENEFICIARY)	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
LOWER SKILLED LEVELS 1-2	0	10	0	0	0	
SKILLED LEVELS 3-5	8	50	16	R 16 083-44	R 2 010-43	-
HIGHLY SKILLED PRODUCTION LEVEL 6-8	26	160	16.25	R 249 633-78	R 9 601.30	-
HIGHLY SKILLED SUPERVISION 9-12	0	58	0	0	0	-
<b>TOTAL</b>	<b>34</b>	<b>278</b>	<b>12.23</b>	<b>R 265 717-22</b>	<b>R 7 815-21</b>	<b>0.68%</b>

Table 8.3 Performance rewards by critical occupations

CRITICAL OCCUPATION	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN OCCUPATION	TOTAL COST	AVERAGE COST PER EMPLOYEE
MANAGEMENT	0	7	0	0	0
INFORMATION TECHNOLOGY	0	2	0	0	0
ORGANISATIONAL DEVELOPMENT	1	3	33.3	R 8 691-75	R 8691-75
TECHNICAL/ENGINEERING RELATED ADVISORY SERVICES	0	5	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>17</b>	<b>5.9</b>	<b>R 8 691-75</b>	<b>R 8691-75</b>

Table 8.4 Performance related rewards (cash bonus), by salary band for SMS

SALARY BANDS	BENEFICIARY PROFILE			TOTAL COST	AVERAGE COST PER EMPLOYEE	TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN SALARY BANDS			
13-16	0	15	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

9. FOREIGN WORKERS

TABLE 9.1 – FOREIGN WORKERS BY SALARY BAND

NONE

TABLE 9.2 – FOREIGN WORKERS BY MAJOR OCCUPATION

NONE

10. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2002 TO 31 DECEMBER 2002

Table 10.1 – Sick leave from January 2002 to December 2002

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATE	NUMBER OF EMPLOYEE USING SICK LEAVE	% OF TOTAL EMPLOYEES USING SICK LEAVE	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R '000)	TOTAL NUMBER OF EMPLOYEES USING SICK LEAVE	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATION
LOWER SKILLED LEVELS 1-2	16	87.5%	3	1.5%	5	2	3	14
SKILLED LEVELS 3-5	266	74.4%	34	17.3%	8	43	34	198
HIGHLY SKILLED PRODUCTION LEVELS 6-8	840	75%	112	56.9%	8	258	112	630
HIGHLY SKILLED SUPERVISION LEVELS 9-12	269	74.3%	42	21.3%	6	152	42	200

SENIOR MANAGEMENT LEVELS 13-16	19	73.7%	6	3%	3	24	6	14
<b>TOTAL</b>	<b>1410</b>	<b>74.9%</b>	<b>197</b>	<b>100%</b>	<b>7</b>	<b>479</b>	<b>197</b>	<b>1056</b>

Table 10.2 Disability leave (temporary and permanent) from 1 January 2002 to 31 December 2002

SALARY BAND	TOTAL DAYS	% DAYS WITH MEDICAL CERTIFICATE	NUMBER OF EMPLOYEE USING DISABILITY	% OF TOTAL EMPLOYEES USING DISABILITY	AVERAGE DAYS PER EMPLOYEE	ESTIMATED COST (R'000)	TOTAL NUMBER OF DAYS WITH MEDICAL CERTIFICATION	TOTAL NUMBER OF EMPLOYEES USING DISABILITY
LOWER SKILLED LEVELS 1-2	0	0	0	0	0	0	0	0
SKILLED LEVELS 3-5	9	100	1	16.7	9	1	9	1
HIGHLY SKILLED PRODUCTION LEVELS 6-8	113	100	4	66.7	28	26	113	4
HIGHLY SKILLED SUPERVISION LEVELS 9-12	20	100	1	16.7	20	12	20	1
SENIOR MANAGEMENT LEVELS 13-16	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>142</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>24</b>	<b>39</b>	<b>142</b>	<b>6</b>

Table 10.3 Annual leave from 1 January 2002 to 31 December 2002

SALARY BANDS	TOTAL DAYS TAKEN	AVERAGE PER EMPLOYEE	EMPLOYMENT
LOWER SKILLED LEVELS 1-2	209	23	10
SKILLED LEVELS 3-5	873	20	50
HIGHLY SKILLED PRODUCTION LEVELS 6-8	3290	22	160
HIGHLY SKILLED SUPERVISION LEVELS 9-12	1164	20	58
SENIOR MANAGEMENT LEVELS 13-16	142	16	10
<b>TOTAL</b>	<b>5678</b>	<b>21</b>	<b>288</b>

Table 10.4 Capped leave from 1 January 2002 to 31 December 2002

SALARY BANDS	TOTAL DAYS OF CAPPED LEAVE TAKEN	AVERAGE NUMBER OF DAYS OF DAYS TAKEN PER EMPLOYEE	AVERAGE CAPPED LEAVE PER EMPLOYEE AS ON AT 31 DECEMBER 2002	NUMBER EMPLOYEES	TOTAL NUMBER OF CAPPED LEAVE AVAILABLE	NUMBER OF EMPLOYEES AS AT 31 DECEMBER 2002
LOWER SKILLED LEVELS 1-2	47	1	107	10	1604	10
SKILLED LEVELS 3-5	117	2	33	50	1307	50
HIGHLY SKILLED PRODUCTION LEVELS 6-8	549	8	31	160	4600	160
HIGHLY SKILLED SUPERVISION LEVELS 9-12	85	1	36	58	1896	58
SENIOR MANAGEMENT LEVELS 13-16	6	0	81	11	729	10
<b>TOTAL</b>	<b>804</b>	<b>12</b>	<b>38</b>	<b>289</b>	<b>10136</b>	<b>288</b>

Table 10.5 Leave payouts for the period from 1 April 2002 to 31 March 2003

REASON	TOTAL AMOUNT (R'000)	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
LEAVE PAYOUT FOR 2002/2003 DUE TO NON-UTILISATION OF LEAVE FOR THE PREVIOUS CYCLE	0	0	0
CAPPED LEAVE PAYOUTS ON TERMINATION OF SERVICE FOR 2002/2003	40	2	20000
CURRENT LEAVE PAYOUT ON TERMINATION OF SERVICE FOR 2002/2003	32	8	4000
<b>TOTAL</b>	<b>72</b>	<b>10</b>	<b>7200</b>

## 11. HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 11.1 Steps taken to reduce the risk of occupational exposure

UNITS/ CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY)	KEY STEPS TAKEN TO REDUCE THE RISK
No particular occupational class or categories of employees are by nature of their work dangerously exposed to contracting HIV/AIDS	Not applicable

TABLE 11.2 Details of health promotion and HIV/AIDS programmes (Tick the applicable boxes and provide the required information.)

QUESTIONS	YES	NO	DETAILS IF YES
Has the department designated a member of the SMS to implement the provisions contained in Part D (vi) of Chapter 1 of the PSR, 2001? If so, provide her/his name and position.	YES		Mr.T. S Mokoena: Director: Administrative Support Services
Does the department have a designated 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.		NO	
Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of this programme		NO	
Has the department established committees as contemplated in Part (vi) e of Chapter 1 of the PSR 2001? If so, please provide the names of the members of the committees and the stakeholder/s that they represent.	YES		G. M Silingile (Chairperson)
Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so list the employment policies/practices so reviewed.	YES		Provincial Human Resources policies discourage discrimination of prospective employees on the basis of HIV status
Has the department introduced measures to protect HIV positive employees or those received to be HIV positive from discrimination? If so, list the key elements of these measures.	YES		Same as above
Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	YES		Information not available at present, training on NCCT due to commence.
Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators		NO	

## 12. LABOUR RELATIONS

Table 12.1 Collective agreements 1 April 2002 to 31 March 2003

SUBJECT MATTER	DATE
None	

Table 12.2 Misconduct and disciplinary hearings finalised from 1 April 2002 to 31 March 2003

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL
CORRECTIONAL COUNSELING	40	14%
VERBAL WARNINGS	25	8%
WRITTEN WARNING	2	1%
FINAL WRITTEN WARNING	2	1%
SUSPENDED WITHOUT PAY	0	0
FINE	0	0
DEMOTION	2	1%
DISMISSAL	0	0
NOT GUILTY	0	0
CASE WITHDRAWN	0	0
<b>TOTAL</b>	<b>71</b>	<b>24%</b>

Table 12.3 Types of misconduct addressed at disciplinary hearings

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
FRAUD AND THEFT	2	1%
CODE OF CONDUCT	2	1%
ABUSE OF GOVERNMENT PROPERTY	4	1.4%
ABSENTEEISM	2	1%
<b>TOTAL</b>	<b>10</b>	<b>4%</b>

Table 12.4 Grievances lodged for the period 1 April 2002 to 31 March 2003

GRIEVANCES	NUMBER	% OF TOTAL
NUMBER OF GRIEVANCES RESOLVED	2	0.7%
NUMBER OF GRIEVANCES NOT RESOLVED	2	0.7%
<b>TOTAL NUMBER OF GRIEVANCES LODGED</b>	<b>2</b>	<b>0.7%</b>

Table 12.5 Disputes lodged with councils for the period 1 April 2002 to 31 March 2003

DISPUTES	NUMBER	% OF TOTAL
NUMBER OF DISPUTES UPHeld	1	0.3%
NUMBER OF DISPUTES DISMISSED	0	0
<b>TOTAL NUMBER OF DISPUTES LODGED</b>	<b>1</b>	<b>0.3%</b>

Table 12.6 Strike actions for the period 1 April 2002 to 31 March 2003

<b>TOTAL NUMBER OF PERSON WORKING DAYS LOST</b>	0
<b>TOTAL COST OF WORKING DAYS LOST</b>	0
<b>AMOUNT RECOVERED AS A RESULT OF NO WORK NO PAY</b>	0

Table 12.7 Precautionary suspensions for the period 1 April 2002 to 31 March 2003

<b>NUMBER OF PEOPLE SUSPENDED</b>	1
<b>NUMBER OF PEOPLE WHOSE SUSPENSION EXCEEDED 30 DAYS</b>	0
<b>AVERAGE NUMBER OF DAYS SUSPENDED</b>	30
<b>COST OF SUSPENSIONS</b>	R 6000

### 13. SKILLS DEVELOPMENT

Table 13.1 Training needs identified between 1 April 2002 to 31 April 2003

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2002	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
LEGISLATURES, SENIOR OFFICIALS AND MANAGERS	Female	29	Strategic capacity leadership communication	Financial management Change management Strategic management		
	Male	40	People management and empowerment	Environmental		
PROFESSIONALS	Female	9	Risk management	Management		
	Male	7		Project management		
TECHNICIANS AND ASSOCIATE PROFESSIONALS	Female	3	Knowledge management Information management systems	Customer care Fleet management Cyber security		
	Male	11	Planning performance management			
CLERKS	Female	99	Problem solving and analysis			
	Male	80				

SERVICE AND SALES WORKERS	Female	N/A	N/A	N/A	N/A	N/A
	Male	N/A				
SKILLED AGRICULTURE AND FISHERY WORKERS	Female	N/A				
	Male	N/A				
CRAFT AND RELATED TRADES WORKERS	Female	N/A				
	Male	N/A				
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Female	N/A				
	Male	N/A				
ELEMENTARY OCCUPATIONS	Female	1		ABET		
	Male	1		ABET		
SUB TOTAL	Female					
	Male					
<b>TOTAL</b>		<b>270</b>				

\* A total of 36 critical competencies/skills that are required for the department to be able to perform efficiently to fulfil its vision and mission were identified and are attached – see annexure

Table 13.2 Training provided from 1 April 2002 to 31 March 2003

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2002	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	TOTAL
LEGISLATURES, SENIOR OFFICIALS AND MANAGERS	Female	29	Presidential Leadership Training programme	Presidential leadership programme Strategic planning		
	Male	40	Diversity management	Risk management		
PROFESSIONALS	Female	9		Project management		
	Male	7				

TECHNICIANS AND ASSOCIATE PROFESSIONALS	Female	3	Budgeting in government Financial management for non-financial managers Diversity management Labour relations		
	Male	11	Knowledge management		
CLERKS	Female	99	Information technology Assessor training		
	Male	80	Performance management		
SERVICE AND SALES WORKERS	Female	N/A			
	Male	N/A	Presiding and investigating officer training Environmental management		
SKILLED AGRICULTURE AND FISHERY WORKERS	Female	N/A	Computer courses		
	Male	N/A			
CRAFT AND RELATED TRADES WORKERS	Female	N/A			
	Male	N/A			
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	Female	N/A			
	Male	N/A			
ELEMENTARY OCCUPATIONS	Female	1	Profiling: ABET		
	Male	1	Profiling: ABET		
SUB TOTAL	Female	N/A			
	Male	N/A			
<b>TOTAL</b>		<b>270</b>			

#### 14. INJURY ON DUTY

Table 14.1 Injury on duty between 1 April 2002 to 31 March 2003

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
REQUIRED BASIC MEDICAL ATTENTION ONLY	3	1%
TEMPORARY TOTAL DISABLEMENT	0	0
PERMANENT DISABLEMENT	0	0
FATAL	0	0
<b>TOTAL</b>	<b>3</b>	<b>1%</b>

## 15. UTILISATION OF CONSULTANTS

Table 15.1 Report on consultant appointments using appropriated funds

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND
General media liaison	1	November 2002 to March 2003	R 80 848-80
DEPARTMENTAL ITC STRATEGY	1	1 April 2002 to 30 September 2002	R 282 240-00
CMIP	4	April 2002 to 31 July 2002	R 565 717-49
INVESTIGATION IN RESPECT OF HOUSING SUPPORT CENTRES	1	30 days	R 341 908-80
FREE STATE HOUSING PRIORITISATION MODEL	4	Not time bound	R 228 000-00
INVESTIGATION ON HOUSING DEVELOPMENT	4	60 days	R 91 200-00
MANAGEMENT SUPPORT PROGRAMMES	56	August 2002 to March 2003	R 15 050 000-00
HUMAN RESETTLEMENT RE-DEVELOPMENT PROGRAMME	20	1 April 2002 to 31 March 2003	R 883 449-53
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORKDAYS	TOTAL CONTRACT VALUE IN RAND
	91	Approximately 860 days	R 17 523 364

Table 15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDI)

PROJECT TITLE	% OWNERSHIP BY HDI GROUPS	% MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORKED ON THE PROJECT
GENERAL MEDIA LIAISON	100%	100%	1
DEPARTMENTAL ITC STRATEGY	100%	100%	1
CMIP	100%	100%	4
INVESTIGATION IN RESPECT OF HOUSING SUPPORT CENTRES	100%	100%	1

Table 15.3 Report on consultant appointments using donor funds

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	DONOR AND CONTRACT VALUE IN RAND
0	0	0	0
0	0	0	0
0	0	0	0
TOTAL NUMBER OF PROJECTS	TOTAL INDIVIDUAL CONSULTANTS	TOTAL DURATION: WORKDAYS	TOTAL CONTRACT VALUE IN RAND
0	0	0	0

Table 15.4 Analysis of consultant's appointments using donor funds, in terms of historically disadvantaged individuals (HDI)

PROJECT TITLE	% OWNERSHIP BY (HDI) GROUPS	% MANAGEMENT BY (HDI) GROUPS	NUMBER OF CONSULTANTS FROM (HDI) GROUPS THAT WORKED ON THE PROJECT
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

## ANNEXURE 1

### WORKPLACE SKILLS PLAN 2002/2003

**C.5** List all the competencies/skills that are required for your Department to be able to perform efficiently and effectively to fulfill its vision, mission and achieve the strategic objectives that have been set. Refer to "Guide" for SMS competencies and other generic competencies.

1. Information Technology	2. Project Management	3. Performance Management
4. Financial Management	5. Budgeting in Government	6. Risk Management
7. Fleet Management	8. Internal Control	9. Professional Skills for Secretaries
10. Knowledge Management	11. Change Management	12. Strategic Capacity and Leadership
13. Service Delivery Innovation	14. Programme and Project Management	15. Assessor and Moderator Training
16. Labour Relations	17. Cyber Security	18. Microsoft Solidified System Admin.
19. A and N Plus	20. LOGIS	21. ABET
22. Environmental Management	23. PAS I and PAS II	24. Analytical Thinking
25. Microsoft Calcified Trainer	26. Microsoft Officer User Specialist	27. Trainer Development Diploma
28. Office Administration	29. PFMA and Treasury Instructions	30. Information Management Systems
31. Strategic Management and Planning	32. Internal Audit	33. Communication
34. Customer Care	35. Quality Control/ Assurance	36. FMS

**C.6** Determine the most critical training needs of employees against the competency/skills requirements listed under C.5 above. This entails conducting a training needs analysis (TNA/Skills Audit) using scientifically acceptable methods or software packages. List all the identified training needs of your Department below.

1. Strategic Capacity and Leadership	2. Service Delivery Innovation	3. Financial Management
4. Information and Communication Technology	5. Project Management	6. Risk Management
7. ABET	8. Change Management	9. Diversity Management
10. Assessor and Moderator Training	11. Legislation Interpreting	12. Cyber Security
13. Performance Management	14. Report Writing	15. Presiding and Investigating Officer Training



## LOCAL GOVERNMENT AND HOUSING

P.O. BOX 211 • Bloemfontein • 9300

Tel: +27 (0)51 403 3404  
Fax: +27 (0)51 403 3404  
Email: [circu@lgh.fs.gov.za](mailto:circu@lgh.fs.gov.za)  
[www.FSLGH.gov.za](http://www.FSLGH.gov.za)

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