



FREE STATE PROVINCE



Department of Local Government and Housing

Annual Report 2006 - 2007



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••• PART 1: GENERAL INFORMATION •••

## **PART 1: GENERAL INFORMATION**

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### **1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTING AUTHORITY**

The Department of Local Government and Housing's 2006-2007 Annual Report is hereby submitted to the MEC for Local Government and Housing, Mr MJ Mafereka.



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**KF RALIKONTSANE**  
**HOD: LOCAL GOVERNMENT AND HOUSING**

**31 AUGUST 2007**

## 1.2 INTRODUCTION BY THE HEAD OF THE DEPARTMENT

This report provides a view of the departmental performance against planned targets as per the 2006/2007 Budget Statement of Vote 8, and against pre-determined objectives as outlined in the 2006-2009 Strategic Plan.

In the year under review, the department continued to implement some elements of the Breaking New Ground (BNG) policy and the five year Local Government Strategic Agenda. A considerable number of senior and middle managers were employed to meet these demands. The new housing policy stresses that informal settlements must be urgently eradicated in line with the Vision 2014 targets, the United Nations' Millennium Development Goals target to achieve significant improvement in the lives of at least 100 million slum dwellers by 2020. The policy also stresses that urban development should be targeted to overcome spatial, social and economic exclusion. In addressing the eradication of informal settlement objective, 1600 subsidies were allocated to the Grassland Informal Settlement Upgrading Pilot project. Thus far, housing units allocated are at various stages of completion.



KOPUNG RALIKONTSANE  
HEAD: DEPARTMENT OF LOCAL  
GOVERNMENT AND HOUSING

In order to address the problem of houses left incomplete by contractors, a programme for the completion of these houses was initiated in partnership with the Department of the Premier. To date, 127 incomplete units have been completed in the Xhariep District Municipality. In the districts of Lejweleputswa, Motheo and Fezile Dabi, the process of counting incomplete houses has been finalised. In our commitment to improve the lives of people with disabilities, the department completed a Special Needs Housing Project called Mphatlalatsane in Viljoenskroon. The project is one of the department's success stories and was recently awarded the prestigious Govan Mbeki Housing Award, as the best special needs project.

The department supports the women empowerment initiative of government. To this end, 32 deserving women were allocated 32 houses during the 16 Days of Activism Campaign of No Violence Against Women and Children. In support of women empowerment, 1 000 subsidies were allocated to emerging women contractors. The allocation is coupled with financial and management training, and mentoring provided by our partners in the project. This is a 3-year commitment that the department has made. In the same vein, 500 subsidies were allocated to the upcoming youth contractors for empowerment and skills development.

The Community Residential Unit (CRU) Policy is responsible for streamlining the "re-development" of Public Housing Stock in accordance with the CRU which ensures access by community members earning between R800.00 and R3500.00 desirous of participating in rental housing. The Free State Provincial Government has, as required by the Community Residential Units (CRU) Policy, established its (CRU) Steering Committee and is the first province to do so.

It is critical to extend the role of municipalities in the delivery of housing within a more demand-driven process rather than the previous programme which was supply driven. As a pilot, Mangaung Local Municipality has been identified for level one accreditation, which should contribute toward speeding up provision of housing in this municipality.

Acknowledging successes and lessons learned through Project Consolidate, Cabinet adopted the 5-year Local Government Strategic Agenda in February 2006 as an integrated approach towards fast tracking and improving service delivery. This hands-on support is a joint responsibility of all Sector departments, SALGA and State Owned Enterprises as government's endeavour to ensure that municipalities are strengthened to timeously deliver quality services within their constituencies. Hence, the following partnerships were successfully formed and implemented during the first year of the 5-year Local Government Strategic Agenda.

The Provincial Treasury and the department supported municipalities with the implementation of the Municipal Finance Management Act (MFMA), which led to improved financial control. Financial technicians were deployed to municipalities such as Phumelela, Tokologo, Masilonyana and Naledi where the service provider performed the function of the CFO. In addition, the Department of Water Affairs and Forestry (DWAF) in partnership with this department, embarked on the bucket eradication programme within municipalities that resulted in increased Municipal Infrastructure Grant spending.

The partnership with the Development Bank of Southern Africa (DBSA) through Siyenza Manje and DWAF programmes facilitated the deployment of technical experts to enhance municipal capacity and fast track service delivery. The partnership between the Independent Development Trust (IDT) and the department established the Programme Management Units to support the department and mobilize support for Project Consolidate municipalities. Hence, it can be mentioned that access to electricity infrastructure by households in the province has reached the 94% mark, with 64% of the households having access to Free Basic Electricity.

The department worked with 5 district municipalities for the development of District Spatial Development Frameworks (SDFs) towards better municipal spatial development frameworks and inclusive potential economic nodes well identified and recorded. The South African Local Government Association (SALGA) and the department entered into a partnership for the training of ward committees, which will lead to a formal qualification in local governance.

Municipalities are assisting the department with the supervision and management of 252 Community Development Workers (CDWs) who have been successfully deployed in all 20 local municipalities.

In order to enhance and strengthen co-operation between the department, municipalities and organised Local Government, the Intergovernmental Relations Legislation has been successfully implemented through the establishment of the following well functioning fora: MEC and Local Governments (MECLOGA), Local Economic Development Forum (LED Forum), Municipal Infrastructure Grant Monitoring Forum, Provincial Disaster Management Forum, Chief Finance Officer Forum, Project Consolidate Steering Committee, and the State Information Technology Agency (SITA). An electronic monitoring system (e.g. Electronic Management Monitoring Aid – EMMA) was established to monitor the performance of municipalities.

The department hosted a Local Government Debt Recovery Summit in an endeavour to deal with the rising services debt in municipalities. The summit succeeded in highlighting the core reasons for increasing service arrears debt, and proposed solutions to the problem, drawing on the collective experience of both the public and private sectors.

This has been the most exciting year engulfed by numerous challenges. These challenges were dealt with as they emerged during the implementation of the policies mentioned above. We have learned valuable lessons during implementation of these policies. The challenges we encountered have had catalytic effect to the department in that we have had to re-engineer our business strategies. The challenges encountered among others are the following:

- Unavailability of serviced sites and suitable land
- Lack of dedicated housing units and adequate staffing in some municipalities
- Enrolment of housing projects with National Home Builders Registration Council (NHBRC) to improve the quality of low cost houses
- Lack of integration with sector departments responsible for social and economic amenities
- While security of tenure has been achieved in principle, a significant proportion of public housing stock has not yet been transferred into the names of entitled individuals
- Mobilising strategic partners and leveraging resources for the implementation of 5-year Local Government Agenda.
- Enhancement of departmental capacity to provide hands-on support, monitor municipalities and deliver integrated human settlements.

We strongly believe that we are on track towards delivering on our mandate. We therefore wish to extend our gratitude to our employees and all our partners.



**KOPUNG RALIKONTSANE**  
**HEAD: DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING**

### 1.3 INFORMATION ON THE MINISTRY

The Ministry is responsible for overseeing the implementation of the mandate of Vote 8, the Department of Local Government and Housing. This in essence, means overseeing the implementation of housing and local government programmes in the province. During the year under review, the focus of the Ministry was essentially on the execution of the Breaking New Ground policy for improved sustainable human settlements; and the 5-year Local Government Strategic Agenda towards building the capacity of local government for sustainable provision of basic services.

Included in this portfolio are the Traditional Leadership and Disaster Management matters in the province. The MEC also acts as a provincial champion for the 2010 FIFA World Cup.

The MEC participates in the following mandatory government structures for a nationwide coherent implementation of government policies and programmes. These are representative structures for the national Department of Housing (DoH), and the Department of Provincial and Local Government (DPLG), which constitute Ministers and all 9 provincial Members of the Executive Council (MECs) responsible for housing and local government matters.

DPLG and Housing MINMECs are convened every second month. These drive the national agenda in alignment with the government programme of action and the overall global agenda regarding human settlement development, and matters of local government.

Provincially, the MEC participates in the following structures:

- The Provincial Executive Council (EXCO), a collective body that forms part of the Provincial Government through which government programmes are implemented and monitored.
- EXCO Lekgotla and the Premier's Coordinating Forum.
- MECLOGA, a provincial Intergovernmental Forum of the MEC for Local Government and Housing, organized local government (SALGA) and municipalities, for a consolidated hands-on support of the execution of government programmes at local municipalities.
- Council Speakers Forum, and
- Executive Council (EXCO) Clusters viz.
  - o Economic Growth, Development and Employment
  - o Justice and Crime Prevention
  - o Social and Human Development
  - o Efficient Governance and Administration.

The cluster system is the government's coherent method of ensuring an integrated approach in the provision of services to the public, of meeting the targets of the 2014 Vision towards achieving the Millennium Development Goals.

The MEC participated in the activities of the following partnerships:

- The South African Local Government Association, an organized body of local municipalities that ensures common focus and approach in local government for the transformation process of local government. In particular, a partnership was formed for the training of Councillors and Ward Committees.
- The Development Bank of Southern Africa for municipal capacity building towards improved provision of services.
- The Department of Water Affairs and Forestry on the eradication of bucket system as per the 2007 deadline as well as overall management of provision of water and sanitation alongside the provision of housing.
- The Local Government SETA, for further training and capacity building in local government matters.
- DPLG and the Banking Institutions for various developmental issues.



MALEFETSANE MAFEREKA  
MEC: DEPARTMENT OF LOCAL  
GOVERNMENT AND HOUSING

The MEC met regularly with the Free State Traditional Leaders, housing contractors, and conveyancers. He also intervened in municipalities on issues of service delivery and participated in EXCO meets the people and Izimbizo campaigns where, through direct contact, government interacts with the people of the Free State Province.

The MEC appointed the following advisory committees:

- o The Townships Board
- o MEC's Housing Panel of Advisors.

Various fora and communities were also formed towards improved coordination and efficiency in the provision of various services:

- Local Economic Development (LED) Forum
- Municipal Infrastructure Grant Monitoring Forum
- Provincial Disaster Management Forum
- Chief Financial Officers Forum, and the
- Project Consolidate Steering Committee.

The MEC undertook five official international trips in the year under review. These included:

- **The International visits to the North Eastern UK Manchester, Liverpool, Blackpool, and Lancaster Districts on 9 – 17 May 2006.**

The Premier lead a delegation consisting of Members of the Executive Council and high ranking officials to visit various places like Manchester, Liverpool, Blackpool and Lancaster Districts in the UK with the aim of exploring possibilities for cooperation and twinning arrangements in the areas of tourism, local government, sports, education and local government.

- **The World Urban Forum 3, Vancouver, Canada on 19-23 June 2006**

The MEC accompanied the Minister of Housing Dr L.N. Sisulu who was invited by the Executive Director of UN-HABITAT Dr Anna Tibaijuka to participate in the World Urban Forum 3.

- **The Berlin Conference: 2006 Fifa World Cup on 5 – 9 July 2006**

As the Political Champion for the World Cup in the Free State, the MEC was invited by the Executive Mayor of Mangaung to be part of the Mangaung Delegation that attended the Berlin Conference. The CEO of the 2010 Local organizing Committee, Mr Danny Jordaan invited the Host Cities to send a delegation of 4 people to Berlin. The main purpose of the conference was to unveil the SA emblem for the hosting of the 2010 FIFA World Cup just after the 2006 FIFA World Cup Final game.

- **Official delegation with Premier visiting SAXONY on 9-18 October 2006**

The purpose of the visit was to discuss the following:

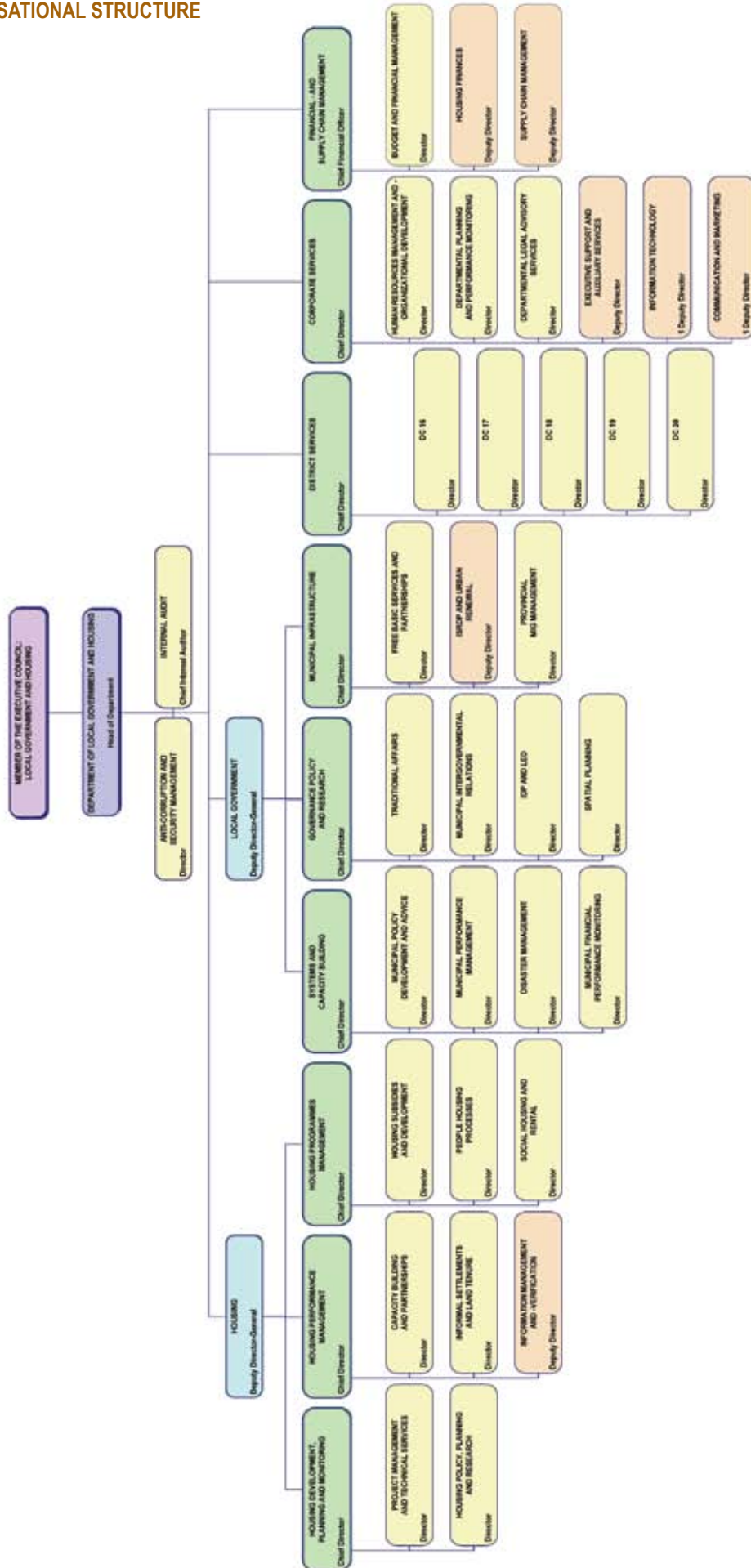
- Agreement for the admission of postgraduate student of the Free State for 3 – 4 months in Saxon enterprises.
- Cooperation with Saxon enterprises for assisting the preparations for the Football world cup 2010 and establishment of cooperation between Saxon companies and BEE companies in South Africa
- Agreement for the education of young South African specialists in Saxony/ involvement of the Camber of Crafts and,
- Preparation towards a later initiation of town twinning.

#### **Official delegation with Premier visiting Dubai on 24 November 2006 until 1 December 2006**

The objective of the visit was to explore the following areas for future collaboration between the Free State and the United Arab Emirates to:

- Farming products
- Arts and crafts products
- Educational institutions for skills development
- Infrastructure development and investment.

## 1.4 ORGANISATIONAL STRUCTURE



## 1.5 MISSION STATEMENT

The Department of Local Government and Housing will strengthen and monitor local governance towards accelerated, quality service delivery.

## 1.6 LEGISLATIVE MANDATE

### **The Constitution of the Republic of South Africa 1996**

The Constitution redefined local government as a sphere of government that is distinctive from, yet interdependent, and inter-related with provincial and national government. Importantly, the Constitution conferred developmental duties to local government.

### **Public Finance Management Act No. 1 of 1999 (as amended by the 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 of 2004**

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 formalized 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, 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 recognizes 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.

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

Through this 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 three spheres of government must ensure that housing development:

- (i) provides as wide a choice of housing and tenure options as is reasonably possible
- (ii) is economically, fiscally, socially and financially affordable and sustainable
- (iii) is based on integrated development planning
- (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 homebuilders. 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.

### **Disestablishment of SA Trust Limited Act No. 26 of 2002**

The winding down of the South African Housing Trust and the transfer of functions relating to financial obligations were completed during the end of 2002 and the beginning of 2003 in terms of Act 2002: Disestablishment of SA trust Limited Act, 2002.

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

In terms of this act, land use is either changed 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 secondarily land uses on farmland that is not agriculture related by way of permits and it also enables the amendment of guide plans and the evaluation of consistency regarding land development

### **Municipal Systems Act of 2000**

The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, render services and manage their finances and revenue. Critically, the MSA formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service rendering mechanisms / arrangements used by municipalities.

This Act also enables the Integrated Development Plans (IDP). The IDP is a single and inclusive strategic plan that must be compiled and adopted by the municipality. IDPs must include a financial plan, performance management plan, disaster plan, and a spatial development framework within which all sector plans should be addressed.

#### **Municipal Demarcation Act of 1998**

The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.

#### **Municipal Structures Act No. 117 of 1998 as amended in 1999 and 2000**

The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.

#### **White Paper on Local Government of 1998**

The White Paper on Local Government is a broad policy framework that proposes wholesale changes in the areas of political, administrative structures of local government, electoral systems, demarcations, finances, services, infrastructure development, planning and so forth. The White Paper maps out a vision of developmental local government that is committed to working actively with citizens to identify sustainable ways of meeting their social, economic and material needs and thereby improve their quality of life. Developmental local government envisages the transformation of municipal administrations into rationalized, representative, less bureaucratic, people-centred, efficient, transparent, accountable, and responsive entities.

#### **The Civil Protection Act No. 67 of 1977**

The Act empowers the Minister of Provincial and Local Government to declare a “state of a disaster” but it does not instruct other relevant ministries of the actions they should take. Again, this Act is more reactive than pro-active.

#### **The Fund Raising Act No. 107 of 1978**

It provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters such as drought disaster.

#### **Disaster Management Act 57 of 2003**

Streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and local levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.

#### **Fire Brigade Act No. 99 of 1987**

This Act forms an element of disaster management in terms of norms and standards in the prevention of fires or any hazards leading to risks and or disasters.

#### **National Veld and Forestry Act No. 101 of 1998**

This Act emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires.

#### **The National Environmental Management Act of 1999**

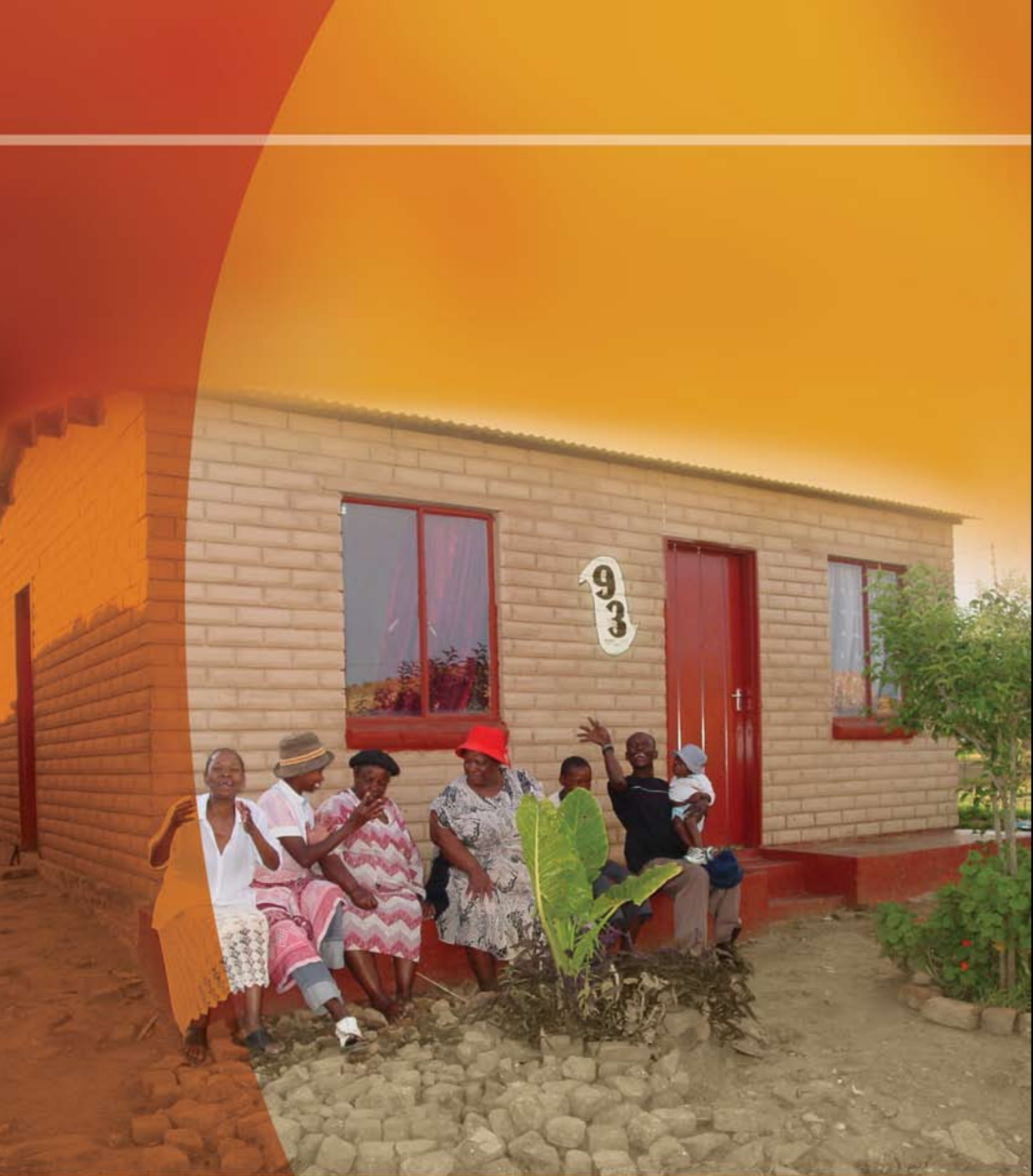
This Act provides for environmental management strategies so as to prevent and mitigate environmental disasters.

#### **Traditional Leadership and Governance Framework Act No. 41 of 2003**

The act provides for the recognition of traditional leaders, their roles, and functions, recognition of traditional communities, establishment of traditional councils and for matters connected therewith.

#### **Public Audit Act, 2004 (Act 25 of 2004)**

To give effect to the provisions of the Constitution establishing and assigning functions to an Auditor-General; to provide for the auditing of institutions in the public sector; to provide for accountability arrangements of the Auditor-General; to repeal certain obsolete legislation; and to provide for matters connected therewith.



••• PART 2: PROGRAMME PERFORMANCE •••

# PART 2: PROGRAMME PERFORMANCE

## 2.1 VOTED FUNDS

Appropriation	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under expenditure R'000
	718 062	745 870	722 488	23 382
Responsible Minister	MEC for Local Government and Housing			
Administering Department	Department of Local Government and Housing			
Accounting Officer	Head of the Department of Local Government and Housing			

## 2.2 AIM OF VOTE

To be a leader in provincially integrated management of housing and local governance.

The Department of Local Government and Housing aims to foster good governance and promote sustainable development in local government structures. The department also aims at the development of sustainable human settlements. These aims are underpinned by the professional approach of the Batho Pele principles.

## 2.3 KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS

### Key Measurable Objectives

**Strategic Goal 1: An organizationally capable and skilled department that is supported and strengthened towards service excellence**

#### Strategic Objectives

- 1.1 To create and sustain a conducive working environment that enables accelerated delivery of services within the department.
- 1.2 To articulate and entrench Batho Pele principles and build a culture of high performance within the department.
- 1.3 To ensure that the budget of the department is planned, managed and spent in line with the service delivery challenges facing the department.
- 1.4 To enhance the provisioning and management of procurement within the department in line with national and provincial imperatives.

**Strategic Goal 2: Enhanced Sustainable Human Settlements to communities in the Free State Province**

#### Strategic Objectives

- 2.1 To ensure effective planning of housing and sustainable human settlements
- 2.2 To promote the effective and efficient delivery of housing opportunities in terms of National and Provincial Housing programmes
- 2.3 To build the institutional human resource capacity towards delivering sustainable human settlements.

### Strategic Goal 3: Accountable and sustainable local governance in the Free State Province

#### Strategic Objectives

- 3.1 To mainstream hands-on support to local government to improve municipal governance, performance, and accountability.
- 3.2 To address the structure and governance arrangements of the State in order to better, strengthen, support and monitor local government.
- 3.3 To refine and strengthening the policy, regulatory and fiscal environment for local government and give greater attention to the enforcement measures.
- 3.4 To promote integrated spatial planning.
- 3.5 To enhance improved municipal infrastructure.

#### 2.3.1 Programmes

The department consists of the following programmes and sub-programmes:

Programme	Description of Programme	Sub-Programmes
1	Administration	MEC
		Support Services
		Finance
2	Housing	Housing Planning and Research
		Housing Performance/Subsidy
		Housing Assets Management
3	Local Government	Municipal Administration
		Municipal Finance
		Disaster Management
		Municipal Infrastructure
		Spatial Planning
		Local Economic Development
		Traditional Resource Administration
Traditional Institutional Arrangements		

#### 2.3.2 Achievements

These are some of the department's significant achievements in the year under review:

Within the allocated Housing Grant of R528 million 11 670 housing units were built, resulting in only R215 936.29 rolled-over. In contributing towards the country's objective to improve the lives of people with disabilities, the department completed a Special Needs Housing Project called Mphatlalatsane in Viljoenskroon. The project was recently awarded the prestigious Govan Mbeki Housing Award as the best Special Needs Project.

A special 3-year developmental project was launched in celebration of the 50 years of the Women's March. For this, 1000 subsidies were awarded to 10 women, who would also be awarded learnerships. A similar project was launched for the development of the youth in housing. This consists of an allocation of 500 subsidies over three years.

The following achievements were also accomplished:

- The establishment of the Community Residential Unit (CRU) Steering Committee as required by the Community Residential Units policy. This committee, which comprises representatives from National Housing, Social Housing Foundation and Local Municipalities met on a monthly basis.

- The establishment of the Rental Housing Tribunal.
- The drafting and promulgation of Rental Housing Regulations (Rental Housing). In this regard, a Case Management System was developed for the recording of all rental housing complaints, the resolution thereof as well as rulings made by the Tribunal.
- The successful implementation of the 16 Days of Activism Campaign of No Violence Against Women and Children, where deserving women were allocated (32) thirty-two houses.

**The department successfully entered into the following agreements and partnerships:**

- A Memorandum of Understanding (MoU) with the Provincial Treasury was signed towards supporting municipalities on the implementation of the Municipal Finance Management Act.
- A partnership with the Department of Water Affairs and Forestry (DWAF) and municipalities was entered into towards the implementation of the Bucket Eradication project.
- An agreement was reached with five district municipalities for the development of District Spatial Development Frameworks (SDFs).
- A partnership was forged with sector departments to develop and implement the provincial plan for the 5-year Local Government Strategic Agenda.
- An MoU was signed with the Independent Development Trust (IDT) for the establishment of the Programme Management Unit (PMU) to support Project Consolidate municipalities.
- An agreement was reached with municipalities for the supervision and management of the Community Development Workers (CDWs).
- An agreement was reached with the Development Bank of Southern Africa (DBSA) on the deployment of Siyenza Manje technical experts for improved capacity of municipal employees in engineering and financial skills.
- A partnership was established with the Free State Provincial Chapter of the South African Local Government Association (SALGA) for the trainings of Ward Committees.

**In addition to the above agreements and partnerships, the department further achieved the following:**

- A functional MECLOGA, a provincial Intergovernmental Forum of the MEC for Local Government and Housing, organized local government (SALGA) and municipalities.
- In addition to implementing the Inter-governmental Relations Act (AGR), the department established the following fora:
  - Local Economic Development (LED) Forum.
  - Municipal Infrastructure Grant Monitoring Forum.
  - Provincial Disaster Management Forum.
    - Chief Financial Officers Forum, and the
    - Project Consolidate Steering Committee.

Eighteen (18) sets of Annual Financial Statements were assessed for the 2004/2005 financial year and three sets of Annual Financial Statements were assessed for 2005/06 financial year. In addition, six municipalities such as Phumelela, Naledi, Tokologo, Kopanong, Matjhabeng and Nala were supported in dealing with municipal finances and on the compilation of the 2005/2006 financial statements. Another three municipalities i.e. Ngwathe, Nketoana and Letsemeng were supported with the compilation of Annual Financial Statements, and Naledi Local Municipality was supported with execution of the Chief Financial Officer (CFO) function.

Project Consolidate Municipal and Provincial Action Plans were developed and monthly progress reports were submitted on the implementation and progress of Project Consolidate Action Plan 2. In addition, the Project Consolidate municipalities have developed LED strategies and economic profiles.

For the Municipal Infrastructure Grant, 12 Municipal Project Management Units (PMUs) were established. Eleven municipalities had expended 85% of the 2006/2007 MIG allocation by the end of March 2007. In the true spirit of hands-on support and in support of the 5-year local government strategic agenda, technical experts were deployed through Siyenza Manje, DWAF and SAICE.

About 84% of the 300 Ward Committees have been established and are functional. The Independent Development Trust (IDT) trained 35 ward committee members, 14 officials and 7 Community Development Workers (CDWs) in Local Area Planning and as a result, 4 Ward Plans were developed. A partnership has been concluded with SALGA for the implementation of a province-wide Ward Committees capacity building programme. In support of this plan, R3 million has been transferred to the Provincial Chapter of SALGA for the implementation of the said programme.

**Additional achievements includes the training of 20 Community Development Workers on:**

- o The establishment of co-operatives
  - o Housing related matters, and
  - o Water and sanitation related matters.
- Additional 7 CDWs were also trained in Local Area Planning
  - 14 municipalities were supported with the development of the Performance Management System (PMS) framework.
  - 2 Status reports were submitted on the implementation of Performance Management System (PMS), addressing Performance Agreements, Performance Management System (PMS) Frameworks and Employment Contracts
  - A massive 22 812 buckets were eradicated in 2006/2007; and
  - Quarterly Key Performance Indicators (KPI) reports were submitted to the Department of Public Works Roads and Transport on the Extended Public Works Projects in Mangaung and Motheo municipalities.

**The following knowledge sharing sessions were held successfully during the period under review:**

- o Debt Recovery Summit
- o Sanitation and alternative sanitation
- o Spatial Development Framework
- o Land Use Management Systems, and
- o Municipal by-laws sessions.

District Services offices were established for improved on the ground contact with municipalities and communities towards faster provision of services. The hands-on approach also improved public participation in government.

The department embarked on a process to evaluate all filled posts in the department by means of the EQUATE Job Evaluation System. The grading of a number of jobs on levels 1 – 8 appeared to be inconsistent with the job contents attached to such posts. This resulted in amongst others, the department losing skilled and competent officials to other provincial departments and the private sector. With a view to implementing the principle of equal work for equal pay, the department prioritised filled jobs on level 1 – 8 in the department.

The department spent 96.9% of the annual budget through planning and monitoring the trends of expenditure and prioritising a number of key areas like bucket eradication, assistance to Local Municipalities and fast tracking housing delivery to increase expenditure.

### **2.3.3 Overview of the service delivery environment for 2006/2007**

In the year under review, the department was inundated with numerous requests and queries from communities and partners in low cost housing. These queries were handled as follows:

- Consumer education sessions were conducted successfully
- Contractors and conveyancers were met on regular basis
- Responded to numerous letters from the communities, and
- Discussions were held with non-governmental organisations such as Slum Dweller International (SDI).

In order to achieve its mandate to support and build the capacity of municipalities and foster good governance the department ensured integrated planning and co-ordination through the adoption of the 5-year Local Government Strategic Agenda. This includes the involvement of Sector Departments within the province and the strengthening of intergovernmental relations.

### Virements:

The department approved the following virements to ensure effective provision of services and assist municipalities regarding critical service delivery elements:

a) Bucket eradication	R 7 928 396
b) Mangaung Municipal Infrastructure	R 4 500 000
c) South African Local Government Association (SALGA)	R 2 056 000
d) Assistance to local municipalities	R17 000 000

### Roll over funds:

The following roll over funds were approved and taken up in the budget of the department:

a) Integrated Housing and Human Settlements Development:	R 6 028 000
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These funds were appropriated for the Mangaung Corridor.

b) Planning and Surveying:	R 381 000
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These funds were committed for the formalisation of land and none of the municipalities had additional funds available to complete these projects. All these projects are priorities stipulated in the IDP and supported by the SDF of each municipality.

c) Infrastructure Projects:	R 1 186 000
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The amount was committed to retention fees on certain projects including a Bulk Water project in Tokologo.

d) Spatial Planning:	R 660 000
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The amount was committed to 11 municipalities' Spatial Development Frameworks in their Integrated Development Plans for Local and District Municipalities that provide the base element in the Provincial Spatial Development Framework.

### **2.3.4 Overview of the organisational environment for 2006/07**

The department undertook a major restructuring exercise during this period in order to ensure that its structure is aligned with its Strategic and Business Plans as well as the challenges that the department faced within the said period. This process, which was concluded successfully in partnerships with employee organizations, addressed not only the functional structure and post establishment, but also entailed the suitable placement of officials within the department. In ensuring the successful implementation of the new structure, the department filled most of the vacant senior management posts and a number of other critical vacancies. This exercise increased the department's capacity thus improving its performance and ability to deliver on its mandate.

During the year under review, the department gradually implemented the Comprehensive Housing Development Plan popularly known as the Breaking New Ground (BNG) plan.

The following challenges are some of those experienced in the implementation of the BNG during the period under review:

- Unavailability of Township Registers and suitable land for housing development
- Funding and filling of vacant posts
- Lack of co-ordination of the housing programme within the respective districts
- Lack of integration with sector departments responsible for social and economic amenities, and
- Unblocking blocked projects and incomplete houses in the province.

It is important that Municipal Housing Units also play a meaningful role in the planning and housing development matters. This was however not fully realised in most municipalities.

Concerning local government issues, much improvement was made. This included internal capacity, commitment to work, and available resources within the department, contributed positively to the achievement of set targets. Teamwork and good leadership and a project-management approach provided by members of Local Government provided the required organisational environment for the achievements of the department. The support received and enjoyed from the office of the MEC and the office of the head of the department served as another factor that led to improved service delivery.

### **2.3.5 Strategic overview and key policy developments for the 2006/2007 financial year**

During the year under reporting the following policies were approved by the Minister of Housing:

- Community Residential Units, which is the creation of rental housing to house communities that cannot afford private rental or social housing.
- Inclusionary Housing.

## 2.4 DEPARTMENTAL REVENUE, EXPENDITURE AND OTHER SPECIFIC TOPICS

### 2.4.1 Collection of Departmental Revenue

Collection of Departmental Revenue						
Item	2003/04 Actual R'000	2004/05 Actual R'000	2005/06 Actual R'000	2006/07 Target R'000	2006/07 Actual R'000	deviation from target %
<b>Non-tax revenue</b>	<b>990</b>	<b>1 491</b>	<b>2 045</b>	<b>2 147</b>	<b>1 942</b>	<b>9.5%</b>
Sales of goods and services	955	1 448	2 022	2 147	1 863	
Interest, dividends and rent on land	35	43	23	-	79	
Financial Transactions		177	888	-	249	
Financial transactions in assets and liabilities	-	177	888	-	249	
Total Departmental Receipts	990	1 668	2 933	2 147	2 191	2%

### 2.4.2 Departmental Expenditure

Programme	2006/2007					
	Original Budget	Adjustments	Adjusted Budget	Expenditure 31/03/2007	Percentage Budget Spend	Projected over/under expenditure
<b>Administration Support Services</b>	<b>R 57,273,000</b>	<b>R -7,975,000</b>	<b>R 49,298,000</b>	<b>R 45,219,000</b>	<b>92%</b>	<b>R 4,079,000</b>
MEC	R 6,393,000	R -1,333,000	R 5,060,000	R 4,760,000	94%	R 300,000
Support Services	R 30,436,000	R -1,076,000	R 29,360,000	R 25,960,000	88%	R 3,400,000
Finance	R 20,444,000	R -5,566,000	R 14,878,000	R 14,499,000	97%	R 379,000
<b>Housing</b>	<b>R 574,531,000</b>	<b>R 19,966,000</b>	<b>R 594,497,000</b>	<b>R 579,156,000</b>	<b>97%</b>	<b>R 15,341,000</b>
Planning and Research	R 13,350,000	R -5,000	R 13,345,000	R 12,950,000	97%	R 395,000
Performance subsidies	R 552,122,000	R 25,864,000	R 577,986,000	R 563,330,000	97%	R 14,656,000
Housing Asset	R 9,059,000	R -5,893,000	R 3,166,000	R 2,876,000	91%	R 290,000
<b>Local Government</b>	<b>R 86,258,000</b>	<b>R 15,817,000</b>	<b>R 102,075,000</b>	<b>R 97,804,000</b>	<b>96%</b>	<b>R 4,271,000</b>
Municipal Administration	R 12,358,000	R 12,672,000	R 25,030,000	R 23,977,000	96%	R 1,053,000
Municipal Finance	R 11,099,000	R 14,900,000	R 25,999,000	R 25,881,000	100%	R 118,000
Disaster Management	R 5,195,000	R -680,000	R 4,515,000	R 4,347,000	96%	R 168,000
Municipal Infrastructure	R 19,630,000	R -314,000	R 19,316,000	R 18,675,000	97%	R 641,000
Spatial Planning	R 11,181,000	R 2,821,000	R 14,002,000	R 13,584,000	97%	R 418,000
Land Use Development	R 9,546,000	R -9,546,000	R -	R -	0%	R -
IDP	R 3,101,000	R -3,101,000	R -	R -	0%	R -
LED	R 1,700,000	R 870,000	R 2,570,000	R 1,463,000	57%	R 1,107,000
Resource Administration	R 8,972,000	R -160,000	R 8,812,000	R 8,345,000	95%	R 467,000
Institutional Arrangements	R 3,476,000	R -1,645,000	R 1,831,000	R 1,532,000	84%	R 299,000
Theft and Losses				R 309,000	0%	R -309,000
<b>Total</b>	<b>718,062,000</b>	<b>27,808,000</b>	<b>745,870,000</b>	<b>722,488,000</b>	<b>97%</b>	<b>R 23,382,000</b>

### 2.4.3 Transfer Payments

Transfer payments to Universities and Technikons		
Name of Department	Total amount available R'000	Actual Expenditure R'000
University of the Free State	1 100	1 098
<b>Total</b>	<b>1 100</b>	<b>1 098</b>

Transfer payments to Municipalities		
Name of Grant	Total amount available R'000	Actual Expenditure R'000
Financial Assistance and Projects with a positive impact	18 200	18 200
Provincial Infrastructure Grant	20 177	20 019
Planning and Surveying	7 632	7 628
Town Planning Schemes and Spatial Planning Frameworks	2 610	2 590
Regional Services Council Levies	58	54
Bucket Eradication	7 928	7 928
<b>Total</b>	<b>56 605</b>	<b>56 419</b>

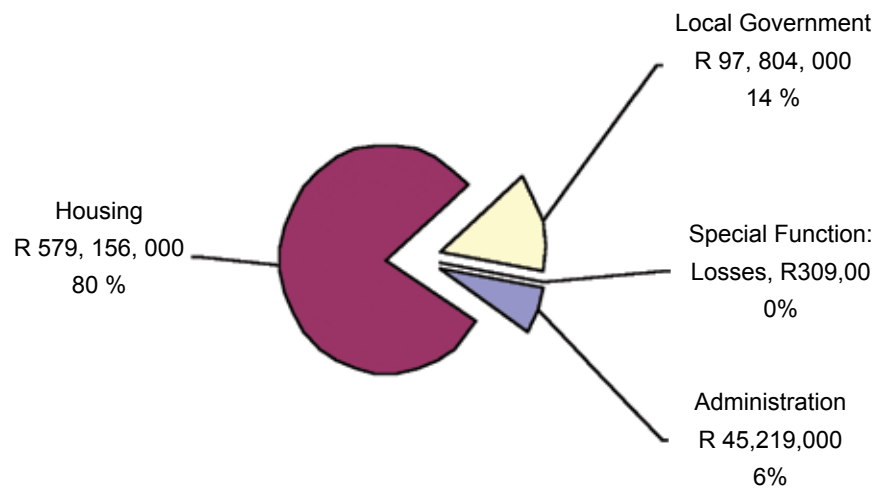
Transfer payments to Non-profit Institutions		
Name of Non-profit Institutions	Total amount available R'000	Actual Expenditure R'000
House of Traditional Leaders	549	543
Disaster management Centres	50	-
Free State Sport Academy	3 096	3 089
SALGA	3 200	3 200
<b>Total</b>	<b>6 895</b>	<b>6 832</b>

Transfer payments to Households		
Name of Programme	Total amount available R'000	Actual Expenditure R'000
Project linked Support Housing	466 770	466 751
Individual Support Housing	2 339	2 263
Discount Benefit Scheme	100	28
People Housing Process	49 964	49 919
Employer Social Benefit	473	262
Employer Social Assistance-Cash	15	-
Bursaries	2 270	2 029
Incomplete houses	13 481	-
<b>Total</b>	<b>535 412</b>	<b>521 252</b>

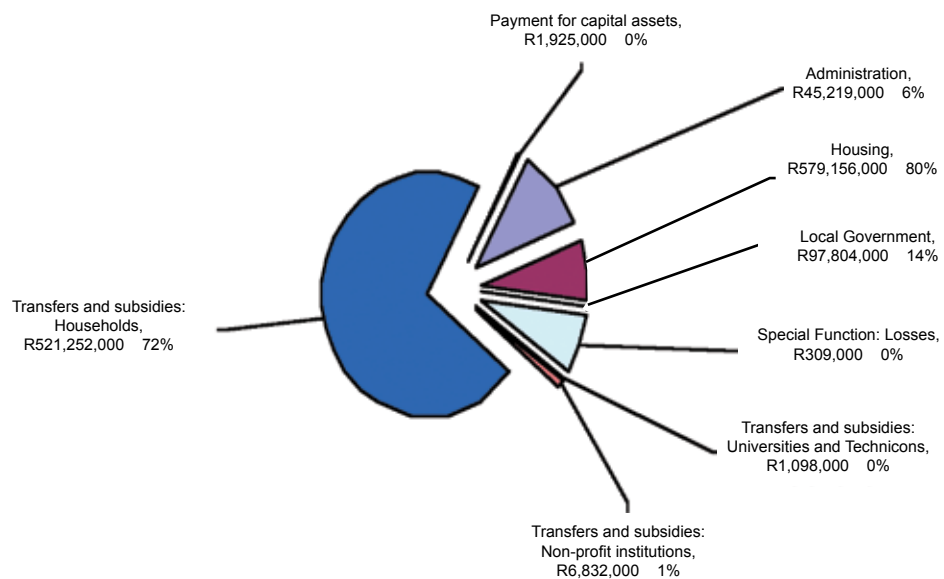
## 2.4.4 Conditional Grants and Earmarked Funds

Conditional Grants		
Name of Grant	Total Amount Available R'000	Actual Expenditure R'000
Housing Fund	519 173	518 962
Human Settlements Redevelopment Grant	9 456	9 438
<b>Total</b>	<b>528 629</b>	<b>528 400</b>

### Actual expenditure per Branch



### Actual expenditure per Economic Classification



## 2.5 PROGRAMME PERFORMANCE

### 2.5.1 Summary of Programmes

The activities of the Department of Local Government and Housing are organized in the following three programmes:

- Programme 1: Administration
- Programme 2: Housing
- Programme 3: Local Government

### 2.5.2 Programme 1: Administration

#### **Purpose**

The aim of this programme is to gear and support the department on matters related to the effective and efficient functioning of the department

#### **Measurable Objectives**

In order to achieve the strategic goal of Programme 1, i.e. An organizationally capable and skilled department that is supported and strengthened towards service excellence, the following strategic objectives were pursued:

- (a) To create and sustain a conducive working environment within the department that enables accelerated provision of services.
- (b) To articulate and entrench Batho Pele principles and build a culture of high performance within the department.
- (c) To ensure that the budget of the department is planned, managed and spent in line with the service delivery challenges facing the department.
- (d) To enhance the provisioning and management of procurement within the Department in line with national and provincial imperatives.

#### **Service Delivery Objectives, Indicators and Achievements**

Programme 1 performed as follows towards achieving the above-mentioned strategic objectives:

**STRATEGIC OBJECTIVE 1.1: TO CREATE AND SUSTAIN A CONDUCTIVE WORKING ENVIRONMENT FREE OF FRAUD AND CORRUPTION WITHIN THE DEPARTMENT FOR ACCELERATED DELIVERY OF SERVICES**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To promote and sustain the well-being of all employees within the department	20% Reduction in absenteeism	<p>Conduct an employee morale survey.</p> <p>Improve the awareness of officials and supervisors in the department on the Employee Health and Wellness Programme.</p> <p>Determine and report on the impact of the Employee Health and Wellness Programme and the Employee Morale Action Plan.</p>	<p>The employee morale survey was put on hold pending the finalization of the restructuring process and the job evaluation of filled posts</p> <p>Extensive awareness workshops were held during the year under reporting, targeting numerous employees. Information sessions were also conducted targeting various supervisors. Pamphlets in 3 official languages were developed and distributed within the department. A policy on Employee Assistance Plan (EAP) was also developed. Awareness posters were displayed in the department. Proposals were submitted to the Department of Public Works Roads and Transport (DPWR&amp;T) to revamp the gym on the 13th floor for employees of the department. A workshop was held on Employee Health and Wellness for the Traditional Leaders.</p> <p>The report is being compiled and will be submitted to the HOD and MEC.</p>
100% Compliance with the following policies / strategies: * HIV / AIDS * Disability * Youth * Gender * Moral Regeneration Programme	<p>1. Update and popularise the following departmental policies / strategies amongst all Senior Managers: * HIV / AIDS * Disability * Youth * Gender * Moral * Regeneration Programme</p> <p>2. Ensure the proper composition of departmental committees on the following and report quarterly on the functioning of such committees: * HIV / AIDS * Disability * Youth * Gender * Moral * Regeneration Programme</p> <p>3. Monitor and report on the status of implementation of special programmes: HIV / AIDS * Disability * Youth * Gender * Moral Regeneration Programme</p>	<p>The following policies were updated: * HIV/AIDS * Disability * Gender</p> <p>The MRM Policy was not finalized. The Youth Policy will be finalized once the Framework on Youth has been revisited</p> <p>The Departmental Committee on HIV and AIDS was established. Efforts to obtain nominations for the Disability, Youth, Gender and MRM Committees were futile as no nominations were received from the respective programmes. There is a challenge in the department in ensuring that committees are functional. With regard to disability, the department has only 6 officials with disabilities. The challenge is to ensure 2% employment of people with disabilities is realised to ensure that a Disability Committee is established and functional. A Draft Disability Policy was circulated for comments and submitted to the departmental legal services for analysis.</p> <p>The Provincial Gender Forum has adopted a draft discussion document on policy in line with the National Gender Policy Framework and the National Gender Mainstreaming in the Public Sector discussion document. The rollout plan on intensification of the programme is anticipated in July 2007. Five MECs were allocated a district to monitor and render political power in ensuring functional Moral Regeneration Movement (MRM) in all district municipalities. The MEC for Local Government and Housing has been allocated Fezile Dabi District Municipality.</p> <p>Reports have not been submitted.</p>	<p>The following policies were updated: * HIV/AIDS * Disability * Gender</p> <p>The MRM Policy was not finalized. The Youth Policy will be finalized once the Framework on Youth has been revisited</p> <p>The Departmental Committee on HIV and AIDS was established. Efforts to obtain nominations for the Disability, Youth, Gender and MRM Committees were futile as no nominations were received from the respective programmes. There is a challenge in the department in ensuring that committees are functional. With regard to disability, the department has only 6 officials with disabilities. The challenge is to ensure 2% employment of people with disabilities is realised to ensure that a Disability Committee is established and functional. A Draft Disability Policy was circulated for comments and submitted to the departmental legal services for analysis.</p> <p>The Provincial Gender Forum has adopted a draft discussion document on policy in line with the National Gender Policy Framework and the National Gender Mainstreaming in the Public Sector discussion document. The rollout plan on intensification of the programme is anticipated in July 2007. Five MECs were allocated a district to monitor and render political power in ensuring functional Moral Regeneration Movement (MRM) in all district municipalities. The MEC for Local Government and Housing has been allocated Fezile Dabi District Municipality.</p> <p>Reports have not been submitted.</p>



Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To support the department towards the recruitment and retaining of adequate and appropriate human resources	100% identified vacancies filled	<p>Capture the new organizational structure and the placement of officials on PERSAL</p> <p>Identify critical posts for filling based on available funds</p> <p>Advertise critical vacancies on request and assist line functionaries towards the filling of such posts</p>	<p>The amended organisational structure and post establishment, which has been approved with effect from the 1st of July 2006, has been implemented successfully on PERSAL. The placement of officials in suitable posts has also been recorded on PERSAL as approved by the Executing Authority.</p> <p>Critical posts were identified and approved by the Executing Authority for job evaluation and suitable filling.</p> <p>25 identified critical posts were advertised and filled during the process under reporting.</p>
	<p>50% Reduction in scarce skills turn-over</p> <p>80% Retention of identified skills</p>	<p>Finalize and implement the Scarce Skills Retention Policy</p> <p>Report to the HOD and DPSA on the status of skills retention in the department</p> <p>Implement proposed framework by DPSA - possible scarce skills allowance</p>	<p>A draft Scarce Skills Retention Policy has been developed and submitted to the Departmental Coordination Council for consultation with employee organizations.</p> <p>1 Official was retained during the period under reporting in terms of scarce skills retention.</p> <p>DPSA has as yet not finalized the proposed framework, resulting in the department not being able to implement it during the period under review.</p>
	Employment Equity Report 100% updated and fully implemented for advertised posts	Update and report on the status of implementing the Employment Equity Report and the Human Resources Plan	The Employment Equity Report has been finalised and submitted to the department of Labour. The Human Resources Plan has been drafted in accordance with the prescribed framework as required from DPSA and is in the process of being aligned with the department's strategic plan prior to being submitted for approval.
To create and sustain a supportive and safe environment free of corruption and fraud in the department	10% Reduction in misconduct cases	<p>Conduct training sessions in the department on disciplinary processes to 50% of officials in the department</p> <p>Handle and report on grievances within 30 days after receipt</p> <p>Report in the oversight and annual reports</p> <p>Arrange disciplinary hearings where applicable</p> <p>Implement and monitor sanctions</p>	<p>10 training sessions have been conducted at all District Offices as well as Head Office, targeting all officials in the branches. This includes 270 newly appointed Community Development Workers as well as approximately 100 officials in the branches.</p> <p>60 cases of grievances (formal and informal) were handled and finalised within the prescribed period of 30 days during the period under review. When the department could not keep up with the 30 days due to the unavailability of presiding officers etc. the matter was formally communicated to all stakeholders.</p> <p>Statistics regarding the number of grievances handled during the period under review has been recorded in the Oversight Report.</p> <p>3 Cases of misconduct were handled successfully during the period under review. The department also assisted other departments in handling 3 cases of misconduct. 4 Conciliations were done and 1 case was discussed with the state attorney.</p> <p>All sanctions were implemented.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	100% Compliance with occupational health and safety requirements	Identify appropriate health and safety representatives  Conduct monthly Organisational Health and Safety (OHS), provide advise and submit reports	The Occupational Health and Safety (OHS) Committee of the department is operational. All programmes were requested to submit nominations for new representatives to the OHS committee towards updating the composition of the committee.  The OHS committee held 6 meetings during the period under reporting. Monthly OHS inspections were conducted and the findings thereof have been reported to the HOD. Problem areas identified by the OHS inspections were submitted to the department of PWR&T for rectification and the alteration of buildings or equipment under their responsibility.
	25% Improvement in securing of suitable office accommodation	Submit proposals to the HOD on suitable office accommodation and monitor and report on compliance therewith	After conducting an accommodation needs-analysis, the Department of Public Works, Roads and Transport has been requested to secure suitable office space for the Department. A project dealing with the revamping of the Offices of the MEC and HOD have also commenced during the period under reporting and will be completed during the 2007/2008 financial year.
	100% Identified personnel security cleared	Identify personnel to be security cleared and submit security clearance forms to them Monitor the security clearance of identified personnel and report thereon	Request for security clearance of the identified personnel was forwarded to the National Intelligence Agency (NIA) and arrangements to commence with the process are underway.
	100% of reported fraud and corruption investigated and reported	Submit reports on fraud and corruption cases investigated	Detected cases have been investigated and reported.
	100% Updated and operational Data and Information Security System	Revisit the Departmental ICT Security Policy  Publish an updated Policy Develop a plan of action and implement Establish and maintain a service level agreement	This process has been started and is done parallel with the departmental Security Manager. The target date is end of June 2007.  Not finalised Not finalised Not finalised
	100% Safe and secure records management	Secure office space for a departmental registry system Develop a departmental registry system and brief SMS Members thereon Investigate, submit proposals and implement Phase 1 of a departmental electronic records management system	A warehouse is being secured to safely store departmental records  A Records Managements Policy is being developed  Research on this matter is in progress.

... Programme Performance ...

		Progress as on 31 March 2007	
Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	
	All SMS members vetted	100% of SMS Members vetted	Requests to the National Intelligence Agency (NIA) were forwarded in this regard and the challenge is to create in-house capacity.
	100% Operational whistle blowing mechanism.	Mechanism created	The National Anti-Corruption Hotline serves as the requisite mechanism and information in this regard is displayed in buildings being occupied by the department
	100% Operational anti-corruption strategy	Draft Anti-Corruption Strategy and popularise within the department Review compliance and report thereon	This will follow upon the finalisation of the Anti-Corruption Strategy of the DPLG, which is in the process of being finalised.
To implement and sustain internal controls in the department	Updated Internal Audit Charter and 3-Year Rolling Audit Plan	Develop and implement charter and plan Review and report on compliance	The appointment of Members to the Audit Committee was approved during March 2007 with effect from 1 April 2007. Both the Audit Committee and Internal Audit Charters have been developed and consulted extensively with Audit Committee members as well as Senior Management Members. Inputs have been solicited and these documents are awaiting final approval by the Audit Committee.
	1 Risk Assessment conducted Updated risk management plan	Develop and implement Risk Management Plan Review and report on compliance	Following the appointment of the PWC Consultants, a report dated August 2005 was issued to the department. The contents of the report are being reviewed in an effort to update the report with emerging risks as well as forming the basis of the compilation of the Internal Audit 3 year Rolling Plan (Risk based Internal Audit Operational Plan)
	Updated and 20% implemented Fraud Prevention Plan	Develop Action Plan for the implementation of Fraud Prevention Plan Review and report on status of implementation	A Fraud Prevention Plan is being reviewed and updated.
	Quarterly reports submitted on internal audits compiled	4 reports submitted	No reports were submitted.
	100% Updated database of all financial interests declared by officials	Develop and maintain a database of financial interests declared by officials Monitor and report on compliance	A database of all financial interests declared by Senior Management Services (SMS) members is maintained. Approximately 95% of the SMS members submitted the completed Financial Disclosure Forms for the 2006/2007. The completed forms have been forwarded to the Executing Authority for signature prior presentation to the Public Service Commission.

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To enable and improve service delivery through the successful implementation of e-governance	<p>100% Updated enterprise architecture, data and information management policy and plan</p> <p>100% updated ICT infrastructure at 11 departmental sites</p>	<p>Develop enterprise architecture, data and information management policy and facilitate the implementation thereof</p> <p>Upgrade ICT Infrastructure at 5 departmental sites</p> <p>Install MSUS &amp; Identity Management Tools- including Anti-virus solution</p> <p>Develop and implement departmental Data Repository</p> <p>Upgrade Server Room</p> <p>Finalize and maintain departmental Data &amp; ICT Architecture Management Service Level Agreement</p>	<p>The research on this function is completed and the policy will be finalised and submitted for approval by 1 August 07.</p> <p>Not finalised</p> <p>Partially installed</p> <p>Not yet started</p> <p>To be completed in the next financial year</p> <p>To be completed in the next financial year.</p>
	<p>100% Identified employees with access to computers and intranet</p>	<p>Conduct audit with OD &amp; line managers to establish gap and assist responsible managers to manage identified gap</p> <p>Integrate audit findings with departmental ICT Procurement SLA</p> <p>Maintain Service Level Agreement</p>	<p>Not finalised</p> <p>Programme needs to be redeveloped and then implemented.</p> <p>Ongoing</p>
	<p>100% of identified officials computer literate at ICDL level</p>	<p>Conduct needs assessment regarding computer literacy</p> <p>Conduct computer literacy training to all identified officials</p>	<p>Not finalised.</p> <p>Programme to be redeveloped and then implemented in the next financial year.</p>
	<p>100% functional departmental IT Committee (DITC)</p>	<p>Support the effective functioning of the DITC</p> <p>Finalize and maintain Service Level Agreements between Branch Heads and Corporate Services on ICT Procurement</p> <p>Report on the status of the DITC</p>	<p>The DITC is fully functional and a departmental ICT procurement policy has been drawn in conjunction with the office of the CFO. This will be finalised within the next financial year.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To ensure that the department communicates effectively and efficiently with its clients, stakeholders and employees	100% functional and updated departmental website	Information for the website gathered, layout and design completed. Launch and maintain the departmental website.	Website information researched and draft 50% complete.
	100% Operational Help Desk and Information Service	Help desk systems developed and implemented in accordance with Batho Pele principles Report quarterly on the functionality of the Help Desk Services	Help desk activities were conducted in consultation with the rest of the department as required.
	Informed officials within the department	Finalize, popularise and monitor the implementation of the departmental (internal) communication strategy Establish, publish and continuously evaluate a departmental newsletter with internal (government) focus	Draft strategy partially implemented.  The departmental newsletter was discontinued. New channels of communication are being explored as part of the internal communication strategy. A Weekly Communication Note is published weekly within the department.
	100% Effectively and efficiently organized departmental events	Develop a departmental Calendar of Events and distribute to all supervisors / managers.  Plan and organize departmental events.  Monitor and report on the impact of departmental events.	The departmental Calendar of Events was integrated with the Provincial Calendar of Events and distributed to all senior managers within the department.  Participation in departmental events is mainly media related. These, especially the Local Government Debt Recovery Summit, have received significant media coverage on television, radio and national print media such as the Business Report and Business Day.  The events were monitored and impact assessed. In most instances impact made was significant.
	100% Participation in the establishment of the National Housing Department's external newsletter	Contribute towards the content and layout of the newsletter and act in the editorial committee	The newsletter has been suspended and new channels of communication are explored. The process is delayed by dire staff shortage in the unit.

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	100% participation in the establishment of the Local Government Communication System	Participate in the establishment of the Local Government Communication System for all municipalities Participate in the establishment of communication systems among various structures of local government (Ward Committees, Councillors, CDWs, Communication Officers in municipalities etc) Establish the system for coordination of communication activities in the three spheres of government	The Local Government Communication system has been launched and is 60% effective with 3 District Communication Forums established.  Planning for the communication of the 5-year local government strategic agenda took place in February 2007. The plan forms part of the presentation to various local government structures and stakeholders including the Premier Coordinating Forum, MECLOGA, Mayoral Fora and municipalities, to introduce the Local Government Communication System.  This forms part of the establishment of the Local Government Communication System as the latter seeks synergy of communication within all three spheres of government.
	Increase in positive departmental publicity	Adopt a proactive media approach and obtain radio slots and print space for information and marketing purposes	Balanced publicity obtained during the said period. Obtained radio slots for the budget speech publicity and related activities.
	Improved media response	Plan and manage media activities and events for the MEC	Media coordination was done for the MEC on an ongoing basis. Though minimal, events were successfully planned for the MEC during the period under review
	100% participation in national Housing and DPLG communication fora and activities	Attend all national mother department meetings and participate in such events	Various National Housing and DPLG communication meetings were attended and plans integrated in the provincial activities.
	Improved departmental corporate image and identity	Renovate internal image of office building – painting, lighting and plants in all buildings  Align the department's corporate identity with the proposed provincial identity and monitor compliance therewith	The improvement of the corporate identity of the department is an ongoing process that was continued with the creation of the 'Our Work' posters that communicate programmes and work of the department. In addition, branding of various buildings and nameplates for offices, provision of name tags for employees according to Batho Pele Principles, and business cards for some employees especially SMS members were also completed.  The process of creating the provincial corporate identity is still in progress, led by the Department of the Premier.
	100% departmental presence and participation at MPCCs	Brand all departmental buildings including districts.  100% departmental presence and participation at MPCCs with standing exhibitions	All three departmental buildings were branded.  Due to budgetary and staff shortage this has not been achieved. The unit however participated in meetings and activities of the Multi-Purpose Community Centres (MPCC), now called Thusong Service Centres.

... Programme Performance ...

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	100 % edited and informative publications	Produce 100 % well-edited publications that are informative and contribute towards enhancing the department's image and branding Document and publicise MEC's activities. Compile and prepare speeches for the MEC and HOD or representatives	The budget speech, strategic plan and numerous other promotional material of the department were edited and published. Media releases and media responses were drawn for the MEC and department. Advertisements were conceptualised, written, designed and placed in media for some activities. Speeches, were drawn for the MEC or his representatives upon request.
	100% of requests for legal opinions dealt with	Recruit the necessary legal skills in the department Provide legal opinions on request	The department succeeded in filling two posts within the Legal Services Directorate, e.g. the Director: Legal Services and the Departmental Legal/Advisor post. Legal opinions are provided on an ongoing basis.
	Operational departmental legal resource centre	Submit proposals to the HOD on the creation of a legal resource centre and secure accommodation Implement and maintain the legal resource centre Report on the status of the legal resource centre	These activities were not achieved due to lack of capacity.
To promote the functioning of the department within a sound legal framework	All contracts, legal agreements and legal documents drafted and edited All court cases handled Quarterly reports	Contracts, Legal agreements and other legal documents dealt with Litigation for/ against the department dealt with Co-ordinate legal matters in the department	29 People Housing Process (PHP) contracts, 99 housing contracts and 28 other legal agreements/ documents such as memoranda of understanding, protocol agreements, service level agreements and certificates of property transfer. 2 court cases pending in High court. Various consultations held with State attorney, State law Advisers and Senior Counsel. 2 quarterly reports submitted to the Cluster on Government and Administration through the State Law Advisers office.
100% updated and applied HR delegations	Update, popularise and implement the Human Resource delegations Monitor and report on compliance to the approved HR delegations	Update, popularise and implement the Human Resource delegations Monitor and report on compliance to the approved HR delegations	The existing Human Resources Delegations were reviewed and an updated scheme of delegations have been approved by the HOD and the MEC. Copies of the approved and reviewed delegations were sent to all SMS members within the department. Compliance with approved HR delegations is continuously monitored prior to capturing any appointment, transfer, etc. on PERSAL.

**STRATEGIC OBJECTIVE 1.2: TO ARTICULATE AND ENTRENCH BATHO PELE PRINCIPLES AND BUILD A CULTURE OF HIGH PERFORMANCE WITHIN THE DEPARTMENT**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To optimally develop officials within the department towards improved service delivery	Full participation in the Presidential Strategic Leadership Development Programme	<p>Conduct needs assessment</p> <p>Implement Presidential Strategic Leadership Development Programme for identified MMS and SMS</p> <p>Monitor and report on the above</p> <p>Determine the impact of the programme and advise thereon</p>	<p>The PSLDP was discontinued during the period under reporting. The University of the Free State was however approached to develop a similar programme for Middle Managers, which culminated in the development of the Executive Management and Leadership Programme (EMLP). The EMLP was extended to all provincial departments for their participation.</p> <p>A report has not been submitted.</p> <p>The impact of the programme has not been determined.</p>
	2 skills development impact studies conducted	Conduct impact assessment surveys on 30% of employees who attended courses during the year	An impact assessment questionnaire was developed in conjunction with the Free State Training and Development Institute (FSTD), but the actual assessment has not been done.
	50% Implementation of learnership programme	Implement ICT learnership programmes and report on its status	The ICT learnership was successfully implemented in the department, resulting in 12 learners being employed by the department on a 12-month contract.
	100% updated and marketed knowledge management strategy	<p>Develop Departmental Knowledge Management Strategy in line with Provincial Knowledge Management Strategy and submit for approval</p> <p>Popularise and implement the departmental Knowledge Management Strategy within the department</p>	<p>The Knowledge Management Strategy could not be finalized and implemented in the department due to delays from the provincial coordinating committee.</p> <p>This was not achieved due to reasons above and understaffing.</p>
	Competency assessments and skills audits conducted in respect of 100% of staff	Conduct skills audit on all employees and submit proposals on outcome thereof to the HOD	<p>A skills audit was conducted in the district offices of the department. A service provider was approached to conduct the audit of all employees.</p> <p>Recommendations of the skills audit could not be implemented, as the audit was not conducted.</p>
	30% Implementation of updated Skills Development Plan	<p>Develop and submit departmental Skills Development Plan</p> <p>Implement targets set out in skills development plan and report thereon.</p>	<p>The Work Place Skills Plan (WPSP) was developed and submitted to the FSTD and the PSETA. The WPSP was implemented during the course of the financial year.</p> <p>Not achieved.</p>

**... Programme Performance ...**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
<p>To create and sustain a high performance culture within the department</p>	<p>100% implementation of the PDMS for SMS members and staff on Levels 1 – 12:</p> <ul style="list-style-type: none"> <li>• 1.5% of the Remuneration Budget allocated for cash bonuses to qualifying officials within the department</li> <li>• Pay progression allocated to qualifying officials within 1% of the Wage Bill of the department</li> </ul>	<p>Maintain a database of all signed performance agreements for SMS members as well as Performance Development Plans of officials on levels 1 - 12.</p> <p>Align departmental PDM structures with PDM system as approved by the Executive Council.</p> <p>Render advice and assistance to the departmental Moderating Committee on the outcome of the 2005/2006 performance assessments of officials on levels 1 – 12.</p> <p>Establish and maintain a PDMS Helpdesk for the department.</p> <p>Monitor and report to the HOD and MEC on the status of Performance Agreements for SMS Members in the department for 2006/2007 financial year.</p> <p>Customise the format of 2007/2008 performance agreements and submit to all SMS members for completion.</p> <p>Submit proposals to the HOD on the establishment of a moderating committee to assess the performance of SMS members for the 2006/2007 financial year</p>	<p>A database is kept of all Performance Agreements and/or Performance and Development Plans that have been received.</p> <p>The departmental PDM structure have been aligned with the PDM System as approved by EXCO. The approval of the HOD and MEC in this regard has been submitted to all Executive Managers in writing.</p> <p>Continuous advice and assistance were given to the Dept Moderating Committee on the outcome of the 2005/2006 performance assessments of officials on levels 1 – 12 in the Department and the final approval of the HOD and MEC has been implemented on PERSAL.</p> <p>Due to the departmental website not being established yet, an official Help Desk could not be created.</p> <p>The status of signed and/or outstanding Performance Agreements of SMS members has been monitored continuously and communicated to SMS members. It was also discussed on SMS Meetings and letters were sent to non-compliant SMS members.</p> <p>The format of 2007/2008 Performance Agreements was customized in line with the directive of the MPSA and communicated to all SMS Members electronically.</p> <p>Proposals on the establishment of a Moderating Committee to assess the performance of SMS members in respect of the 2006/2007 financial year have been approved by the HOD and MEC.</p>
	<p>Quarterly status reports submitted on achievement of 2006/2007 Business Plan</p>	<p>Update the format for Quarterly Non-Financial Performance Reports and inform SMS members of reporting dates.</p> <p>Consolidate and submit quarterly non-financial performance reports to the Provincial Treasury.</p>	<p>The format for Quarterly Non-Financial Performance Reports were updated and communicated to all SMS Members, together with a schedule containing quarterly reporting dates.</p> <p>Quarterly Non-Financial Performance Reports were consolidated and submitted to Provincial Treasury, together with signing-off letters.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	<ul style="list-style-type: none"> <li>80% implementation of newly-approved organizational structure and post establishment</li> <li>100% of identified posts on the approved structure job evaluated by means of the EQUATE Job Evaluation System</li> </ul>	<p>Update, populate and implement the departmental Policy on Structural Designing</p> <p>Quality assure and update job descriptions in the department</p> <p>Job evaluate all identified posts and submit to JE Panel for a recommendation</p> <p>Maintain a database of all posts job evaluated in the department</p> <p>Identify and arrange the training of new job analysts in the department</p> <p>Monitor and report on the status of job evaluation within the department</p>	<p>The departmental Policy on Structural Designing was updated and submitted to the HOD and MEC for approval. A copy was also sent electronically to all SMS members for information and compliance.</p> <p>Job descriptions were quality assured and updated during the job evaluation of such posts.</p> <p>138 filled and/or critical vacant posts were job evaluated during the period under review and submitted to the JE Panel for a recommendation. This was then submitted to the HOD and MEC for approval. The approval of the HOD and MEC has been implemented on PERSAL and affected officials have been informed in writing of the outcome of the job evaluation process.</p> <p>A database of all posts that were evaluated is kept and maintained.</p> <p>No new nominations were received upon request from the department.</p> <p>Quarterly reports on the status of job evaluation have been compiled and submitted to the HOD and MEC for information and/or further attention.</p>
	100% implementation of the Provincial JE Implementation Strategy	<p>Maintain the effective functioning of the departmental Job Evaluation Quality Assurance Committee</p> <p>Provide information / awareness sessions on job evaluation to officials in the department</p>	<p>Upon approval of the HOD and MEC on the composition of the departmental JE Quality Assurance Committee, monthly meetings were held. These preceded meetings of the Provincial JE Quality Assurance Committee to ensure that jobs evaluated by means of the EQUATE JE System were evaluated correctly and that the job evaluation definitions as per the JE Interpretation Guide had been applied accurately.</p> <p>Information and awareness sessions were conducted to units that had their posts evaluated.</p>
To raise the awareness and accountability of employees regarding the importance of service delivery and increased levels of performance	100% implementation of an updated departmental Service Delivery Improvement Plan (SDIP)	<p>Launch the SDIP</p> <p>Develop Service Delivery Charter per district</p> <p>Communicate service standards to internal and external clients and monitor the implementation thereof. Report on implementation of SDIP.</p> <p>Review service standards</p>	<p>The launch and implementation of the SDIP was not achieved because the new format, which is applicable to the entire public service, was only agreed upon in February 2007.</p> <p>A Service Delivery Charter was developed.</p> <p>Service standards for the Corporate Services Chief Directorate was developed during the period under review and submitted to the Department of Public Service Administration (DPSA).</p> <p>The restructuring exercise that was finalised in June 2006 necessitates the development of new service standards. These will be reviewed during the 2007/2008 financial year.</p>

... Programme Performance ...

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	100% compliance to working hours	<p>Update and market the departmental officials working hours policy</p> <p>Monitor and report the maintenance of attendance registers</p> <p>Investigate electronic attendance mechanisms and submit proposals for approval</p> <p>Implement Phase 1 and 2 of the electronic attendance register</p>	<p>A revised policy on official working hours was submitted to the HOD for approval.</p> <p>Attendance registers have been monitored on a monthly basis.</p> <p>Not yet achieved due to a lack of capacity.</p> <p>Not yet achieved due to a lack of capacity.</p>
	100% compliance with corporate services-related legislation	<p>Develop a monitoring mechanism and submit for approval</p> <p>Brief management on and conduct a compliance survey</p> <p>Analyse outcome of survey and develop and implement Phase 1 of the Plan of Action to address non-compliance</p>	<p>All applicable legislation is adhered to and applied in the department i.e. Public Service Act, Public Service Regulations, and Collective Agreements etc.</p> <p>Not achieved due to insufficient personnel within the Corporate Services Chief Directorate.</p> <p>As above.</p>
	All newly-appointed and identified staff successfully orientated	<p>Develop a staff orientation programme for different levels within the organization</p> <p>Conduct a needs assessment and inform all managers / supervisors of staff orientation programme and schedule of dates</p> <p>Orient all identified staff in the department and report thereon quarterly</p>	<p>Newly appointed staff as well as all the newly appointed Community Development Workers were oriented on departmental specific policies. Ongoing information sessions on procedures and policies were held throughout the year within the Housing Branch.</p> <p>Newly appointed staff was oriented upon their appointment.</p> <p>Quarterly reports were not submitted.</p>
	Increased client satisfaction	<p>Conduct client satisfaction surveys on services rendered by corporate services</p> <p>Implement remedial steps towards improving areas of dissatisfaction</p>	<p>Client satisfaction surveys were not conducted and, as such, no remedial steps could be recommended.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
<p>Informed officials in the department:</p> <ul style="list-style-type: none"> <li>• Code of Conduct for Public Servants</li> <li>• Matters related to Batho Pele</li> <li>• PDMS for levels 1–12 and SMS members</li> <li>• Various Human Resource and Labour Relations matters</li> <li>• ICT security and acceptable use of ICT resources and services</li> </ul> <p>20% reduction in client complaints</p>	<p>Provide information sessions to all officials on:</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Performance and Development Management</li> </ul> <p>Human Resource and Labour Relations matters</p> <ul style="list-style-type: none"> <li>• ICT Security and acceptable use of ICT resources and services</li> </ul> <p>Report to the HOD on the status of information and awareness sessions and the outcome (impact) thereof:</p> <ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Batho Pele</li> <li>• Performance and Development Management</li> <li>• HR and LR matters</li> <li>• ICT Security and acceptable use of ICT resources and services</li> </ul>	<p>All officials in the department were trained in the Code of Conduct and booklets were handed out to them. About 150 CDWs were also trained in this regard.</p> <p>Numerous PDMS Information Sessions have been provided to officials on levels 1 – 12 in the department. Various information documents on PDMS have also been distributed and made available to officials per electronic mail. A separate information session was held for SMS Members, during which they were informed on general matters related to PDMS as well as recent changes to the PDM System as approved by the Minister for the Department of Public Service and Administration.</p> <p>150 CDWs and numerous officials within the Housing Branch were trained with regard to matters pertaining to LR and HR, e.g. grievance procedures, discipline, acting procedures and matters pertaining to leave.</p> <p>Not achieved.</p> <p>A report has been prepared for submission.</p> <p>Not achieved.</p> <p>The HOD has been informed through the Chief Directorate's Monthly Status Reports on the status of information sessions and the impact thereof.</p> <p>Reports were not submitted.</p> <p>A report has not been submitted.</p>	<p>Progress as on 31 March 2007</p>

... Programme Performance ...

**STRATEGIC OBJECTIVE No. 1.3: TO ENSURE THAT THE BUDGET OF THE DEPARTMENT IS PLANNED, MANAGED AND SPENT IN LINE WITH THE SERVICE DELIVERY CHALLENGES FACING THE DEPARTMENT**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Compliance to monthly financial indicators	80% compliance to the: <ul style="list-style-type: none"> <li>• Clearing of accounts</li> <li>• Reconciliation of bank accounts</li> <li>• Capturing of transactions</li> </ul>	100% of all Zero accounts have been cleared. The bank account was reconciled on a daily basis. All transactions were captured.
To ensure effective and accurate accounting services within the department	Increases revenue collection	Identify new revenue items	Circulars were sent out to identify new revenue items. Sale of tender documents was added to the list of items.
	100% Payment of salaries	Increase debt collection by 5%	Debt collection increased by 330%
	100% Maintenance and availability of financial documents	100% of advices approved	100% of advices were approved
	All payments made within 30 days	Issue documents as requested within two working days	All documents were issued within 2 working days, except with the requests for documents by the Auditor General during the Audit. Due to large volumes, these were issued within 5 days.
To allocate and control all financial resources effectively and efficiently		Approve all correct payments received within two working days	All correct payments were approved within two working days.
	Annual budget compiled and maintained	Accurate and aligned 2006/07 budget allocations	The budget allocations were aligned.
		Roll over funds requested	Roll over funds were requested and approved.
		Manage the shifting of funds	Shifting of funds was done on a continuous basis.
		Prepare and submit the Adjustment Budget	The adjustment budget was submitted within correct timeframes.
		Prepare, finalize and submit the draft budget for 2007/2008	The draft budget was prepared, finalized, and submitted within the time on time.
	Finalize Budget Statement 2		The Budget Statement 2 was submitted on time.
	No overspending Under spending within norm of 2%	Quarterly financial performance reports submitted to emphasise spending patterns	Monthly reports were submitted to monitor spending. Presentations were also made at Senior Management meetings.
To monitor and report on the financial expenditure of the department	Annual Report compiled and submitted	Finalize and submit 2005/2006 Annual Report in alignment with the Strategic Plan	The annual report was finalised and submitted on time. The report was aligned to the Strategic Plan.

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Financial Statements compiled and submitted	Submit financial statements to Auditor General Finalize Management Report and Audit Report Assess Audit Report and finalize Financial Public Accounts Committee questions	Financial statements of the department, Housing Fund and Trust Funds were submitted on time. The Management and Audit reports regarding all financial statements were answered. The Audit report was evaluated, all Financial Public Accounts Committee questions were answered and an action plan to rectify queries was implemented for the Department and Housing Fund.
	Accurate reporting in terms of Legislative requirements	14 Reports submitted on a quarterly basis	14 reports were submitted per quarter.
To capacitate departmental officials in financial management practices	All identified officials trained in financial management practises	Provide training sessions to identified personnel based on a needs assessment and in accordance with a training plan	Training needs were assessed and the following number of officials in the department attended financial training courses: BAS: 11 PERSAL: 8 Supply Chain Management: 37 Other: 43
	Quarterly information sessions/workshops held on financial matters	1 Session held on a quarterly basis	Quarterly sessions were held

**STRATEGIC OBJECTIVE No 1.4 : TO ENHANCE THE PROVISIONING AND MANAGEMENT OF PROCUREMENT WITHIN THE DEPARTMENT IN LINE WITH NATIONAL AND PROVINCIAL IMPERATIVES**

		Progress as on 31 March 2007	
Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	
To conduct demand and needs analysis in the department	Quarterly information sessions/workshops held on demand management element	1 Session held on a quarterly basis	Quarterly sessions were held.
	Needs analysis conducted	Conduct needs analysis from different programmes Identify method for procurement	Demand management function was not yet fully implemented, therefore a needs assessment could not be conducted.
	Updated departmental database	Request supplier information of respective services Evaluate information and establish and maintain database	The department has an informal database. Provincial Treasury is currently compiling a formal database as this function for the province.
To acquire goods and services in the department	Compliance to bidding processes	Administration of all purchases	All purchases were administered, to ensure compliance to bidding process.
	All procurement contracts effectively managed and administered	Analyse and report on the status of contracts	Due to capacity constraints, the status of all contracts could not be monitored on a continuous basis.
To ensure that an effective logistics management service is rendered	Orders prepared and creditors paid within 30 days	Follow up of outstanding orders Monthly reports submitted	All outstanding orders were followed up on a monthly basis Monthly reports were submitted.
	Updated and functional warehouse	Conduct needs assessment for minimum store levels and update system	Warehouse has not been established.
	All goods and services verified for quality, quantity and accuracy	Evaluate all items received against the order	All items were evaluated.
To ensure that assets and transport are managed and disposed of effectively	All asset and transport policies and strategies updated	Develop and implement an asset management policy Monitor compliance and report thereon Review, update and implement transport policy Monitor compliance and report thereon	An asset management policy was developed and approved.

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Asset register maintained and updated	Update register with acquisitions, movements and disposals Submit quarterly status report	An annual stock take was conducted at the end of the financial year where assets were verified and the register updated. Due to the movements (office relocation) in the department, quarterly reports could not be submitted.
	Management of official and subsidized vehicles	Daily management of vehicles Management of claims submitted Submit monthly status reports	Vehicles are managed on a daily basis by the Transport Officer. Claims are monitored on a monthly basis. Status reports were submitted.
	Accurate asset management	Compile a stock take programme and appoint stock take teams Conduct stock take and submit a report thereon Issue stocktaking certificate Dispose of redundant items	An annual stock take programme was compiled. An annual stock take was conducted and the asset register updated. A stock-taking certificate was issued No items were disposed of.
To ensure that supply performance is monitored and managed effectively in the department	Client satisfaction surveys conducted	Conduct a client satisfaction survey Analyse outcomes and implement remedial actions based on findings	Due to capacity constraints the survey was not yet conducted.
	Vendor performance analysis conducted	Submit recommendations as corrective measures based on an evaluation of data/records Implement, monitor and report on corrective measures	Due to capacity constraints the analysis was not yet conducted.

... Programme Performance ...

### 2.5.3 Programme 2: Housing

#### **Purpose**

The aim of the programme is to manage housing delivery and to ensure the development of integrated human settlements.

#### **Measurable Objectives**

In order to achieve the strategic goal of Programme 2 i.e. Enhanced Sustainable Human Settlements to communities in the Free State Province, the following strategic objectives were pursued:

- (a) To ensure effective planning of housing and sustainable human settlements
- (b) To promote the effective and efficient delivery of housing opportunities in terms of National and Provincial Housing programmes
- (c) To build the institutional human resource capacity towards delivering sustainable human settlements.

#### **Service Delivery Objectives, Indicators and Achievements**

Programme 2 performed as follows towards achieving each of the above-mentioned strategic objectives in the year under reporting.

**STRATEGIC OBJECTIVE 2.1: TO ENSURE THE EFFECTIVE AND EFFICIENT DELIVERY OF HOUSING IN THE FREE STATE**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To monitor and report on the performance of housing projects through effective technical and project management principles	14 232 houses constructed in accordance with prescribed standards	<p>Ensure construction of 14 232 houses</p> <p>Monitor progress and submit quarterly reports</p>	11 670 houses were completed.
To monitor, enforce quality and EPWP compliance in housing delivery	100% compliance with provincial norms and standards and EPWP principles	<p>Consolidate and submit Provincial Norms and Standards for approval</p> <p>Implement, monitor and report thereon</p> <p>Customise and workshop EPWP guidelines to affected stakeholders</p>	<p>MEC approved provincial minimum norms and standards.</p> <p>The approved provincial minimum norms and standards were included in the bid (tender) for the construction of Breaking New Ground (BNG) houses. The bids for the construction of 10 600 BNG houses based on the norms and standards were allocated on 9 October 2006. A further 1000 subsidies were allocated to 10 women contractors while 500 subsidies were ring-fenced for youth contractors. All these subsidies were to be implemented in compliance with the provincial norms and standards. A further 1 400 PHP subsidies were allocated to 14 Housing Support Organizations and the subsidies also have to comply with the said norms and standards.</p> <p>A workshop was conducted on EPWP guidelines however these could not be implemented in projects because the Construction Education and Training Authority (CETA) did not have the funds for the implementation of learnerships to make housing projects EPWP compliant. The Department of Labour's National Skills Fund (NSF) has not released the funds to this department in response to the proposal submitted to access funds for the Community House Builder Learnership in both Youth and Women projects.</p>
To provide a regulatory framework for housing delivery	3 policies, guidelines and/or strategies developed 20 litigation cases handled successfully	<p>Identify, allocate, review and monitor EPWP projects</p> <p>Review EPWP Policy</p> <p>Review needs analysis of policies/guidelines</p> <p>Update, implement and monitor reviewed policies / guidelines</p> <p>Handle 15 litigation cases successfully</p>	<p>In view of the above-mentioned challenges, no projects complying with EPWP guidelines were allocated.</p> <p>The EPWP policy was reviewed in conjunction with the Department of Public Works, Roads, and Transport but the funding for learnerships remains a challenge.</p> <p>The implementation guidelines as well as the policy framework for the Finance-Linked Individual Subsidy Programme have not been finalized and the department has reserved a number of subsidies for the implementation of this programme. The department participated intensely in the National Task Team on this programme, resulting in inputs from this department contributing significantly to the finalization of the guidelines and the policy. The final documents have been referred to the Banking Association of South Africa (BASA) for perusal so that the programme can be implemented once finalised.</p>

**... Programme Performance ...**

Progress as on 31 March 2007			
Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	
To conduct housing research on alternative housing methods and building materials	3 Research findings published	Identify areas of and material for research Conduct research and submit proposals for approval	The Provincial Public Accounts Committee (PROPAC) gave a directive to the department to address the issue of the quality of building materials as well as the workmanship in the housing units built for beneficiaries. This required stringent control and greater accountability and responsibility on the part of consulting engineers for housing projects. There was a need for research into professional indemnity of engineers that will give the department the assurance that quality-housing units will be built in the province.  A survey was conducted in the engineering industry in consultation with the Engineering Council of South Africa (ECSA) and it was thereby established that there is professional indemnity in the engineering industry, which is underwritten by some major insurance companies involved in the engineering industry. All firms of consulting engineers who will be bidding for the project related to quality assurance on housing projects will be required to provide professional indemnity to the department for the value of the projects wherein they shall be appointed.
To ensure implementation of the programme on rectification of houses with structural defects	2000 defect houses rectified	Structural defects in 2000 houses rectified	127 houses with structural defects were rectified and completed. Investigations for the rectification process for 4 districts have also been completed. The construction process will commence once the MEC has approved the reports of quantity surveyors and appointed contractors.
To provide capacity and support to municipalities with regard to housing delivery in line with the Housing Act	1 municipality supported towards accreditation 4 training workshops and courses provided to municipalities	Audit municipal capacity (MLM) and assist with funding acquisition to create conducive environment Assist with systems establishment Monitor and mentor Conduct impact assessment 4 (quarterly) workshops conducted 360 officials trained	A needs analysis was conducted and capacity enhancement of 98% was completed in terms of the Accreditation Business Plan. NDOH allocated R2.3 million for capacity enhancements and support to the Municipality during the period under reporting. Departmental enhancement was completed and three officials were appointed to administer the accreditation process and the implementation of the Accreditation Business Plan.  Meetings were held with municipalities, support centres, contractors, conveyancers and material suppliers to address challenges and delivery patterns. This form assisted in addressing challenges pro-actively and remedying the same. Formal mentoring processes have been investigated and these strategies will be implemented in the new financial year.  Not achieved. Informal interviews were however held to assess the impact of the current training programmes.  2 workshops were conducted in municipalities.  Incremental skills transfer programmes were implemented during the year hence the target of 360 officials not met. Approximately 260 participants were registered in the following training programmes: <ul style="list-style-type: none"> <li>• Housing Policy (3 courses)</li> <li>• Housing Subsidy System (2 courses)</li> <li>• Rental Housing and Property Management (1 course)</li> <li>• Consumer Education – Train the Trainer (2 courses)</li> </ul> Approximately 3 000 housing consumers were educated on housing programmes through the Consumer Education programmes.

**STRATEGIC OBJECTIVE 2.2: TO ENSURE THE EFFECTIVE AND EFFICIENT DELIVERY OF HOUSING OPPORTUNITIES IN TERMS OF NATIONAL AND PROVINCIAL HOUSING PROGRAMMES**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To develop provincial multi-year housing delivery plans	One comprehensive delivery plan.	Develop, Implement and monitor a Multi-Year Housing Delivery Plan	The business plan for the Integrated Housing and Human Settlement Development Grant has been completed and approved by the HOD and Provincial Treasury. The challenge however remains the lack of financial resources to implement all the programmes and projects. The department needs to re-align and re-prioritise projects or, alternatively, request additional funding.
To provide individual subsidies to qualifying beneficiaries in accordance with the housing policy	Social and Human Development: Address the infrastructure backlog	Allocate and approve 4340 beneficiaries  Conduct workshops for relevant stakeholders  Capture approved beneficiaries on the HSS  Monitor construction and submit quarterly reports	157 individual subsidies were approved to qualifying beneficiaries.  A workshop was planned for housing officials at municipal level while various interactions with Conveyancers, Contractors and Municipalities were held at various Districts.  Beneficiaries were recorded on the Housing Subsidies System (HSS) on a continuous basis.  Quarterly reports were submitted.

**STRATEGIC OBJECTIVE 2.3: TO REHABILITATE DYSFUNCTIONAL AREAS WITH THE NOTION OF ECONOMIC AND SOCIAL DEVELOPMENT**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
<p>To rehabilitate dysfunctional areas with the notion of economic and social development</p>	<ul style="list-style-type: none"> <li>• 13 500 erven in process for planning and surveying</li> <li>• Socio-economic projects identified</li> </ul>	<p>Finalise, approve, populate and implement strategy.</p> <p>Monitor and submit quarterly reports on the implementation of the strategy</p> <p>Conduct an impact assessment</p> <p>Approve business plans and allocate for planning and surveying</p> <p>Conduct feasibility studies</p> <p>Submit completion and hand-over report on the projects</p> <p>Submit 4 quarterly progress report on existing projects</p> <p>Finalise report and compile business plan</p>	<p>Township establishment applications for 22 projects comprising 13 559 erven were submitted but applications were incomplete. Applications for 13 projects were completed comprising 6 684 erven. Five projects were submitted to Surveyor General. These consisted of 4 363 erven. Eight projects were submitted to the Deeds office consisting of 6 968 erven. Another eight projects of Township Registers consisting of 5 328 erven was submitted. All these projects are in line with the integrated Development Plans (IDP) in that:</p> <ul style="list-style-type: none"> <li>• Areas are integrated where feasible</li> <li>• Identify land suitable for housing for purposes of acquisition</li> <li>• Prevent urban sprawl.</li> </ul> <p>All relevant reports were submitted.</p> <p>Outstanding</p> <p>19 business plans were received and approved and allocations amounting to R7, 068 million were gazetted for planning and survey.</p> <p>The bids for the appointment of the service provider to conduct feasibility study for Grassland closed in February. Mangaung Municipality will now make the appointment</p> <p>Wrap-up report submitted to the National Department of Housing for the following projects:</p> <ul style="list-style-type: none"> <li>• Market stalls in Bethlehem (February 2007) and the</li> <li>• Pedestrian Bridge (May 2006) in Bethlehem.</li> </ul> <p>Monthly and quarterly Division of Revenue Act (DORA) reports were submitted.</p> <p>Market stalls in Bethlehem (February 2007): Report to be done once the retention period has expired in October 2007. Pedestrian Bridge (May 2006) in Bethlehem: Report to be done after the retention period has lapsed.</p>
<p>To create integrated and functional human settlements</p>	<p>4 human settlements projects identified</p>	<p>Conduct socio-economic survey</p> <p>Prioritise projects</p> <p>Compile Business Plans</p>	<p>Bids closed for six areas viz. Mangaung (Mangaung Local Municipality); Bohlakong (Dihlabeng Local Municipality); Zamdela (Metsimaholo Local Municipality); Maokeng (Mooqhaka Local Municipality); Intabazwe (Matut-a-Profung Municipality); and Thabong (Matjhabeng Local Municipality). Appointment outstanding</p> <p>Six areas identified and prioritised-see supra.</p> <p>Depends on socio-economic survey above.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
<p>Land tenure rights are upgraded</p>	<ul style="list-style-type: none"> <li>• 5 000 deeds of transfer registered for qualifying beneficiaries</li> <li>• 120 township registers opened</li> <li>• 10 parcels of land transferred to the municipalities for development purposes</li> </ul>	<p>Finalise and implement the Land Tenure Strategy</p> <p>Ensure the registration of 5 000 deeds of transfer</p> <p>Facilitate the opening of township registers for 1 200 General Plans</p> <p>Develop and facilitate the implementation of a land acquisition strategy</p> <p>Identify and prioritise in consultation with stakeholders parcels of land for acquisition</p> <p>Facilitate the acquisition of identified land in terms of the strategy</p>	<p>The strategy has not been developed but the transfers are being effected in favour of qualifying beneficiaries.</p> <p>1103 deeds of transfer registered in favour of qualifying beneficiaries.</p> <p>Facilitated the following:</p> <ul style="list-style-type: none"> <li>• GP723/1994-Ditlhake Ext 1 open</li> <li>• GP L32/1990; L65/1992-Ditlhake lodged at Deeds Office</li> <li>• GP 457/1985 and GP40/1986-Ditlhake to be registered by 1st Quarter of 2007/2008.</li> <li>• Grassland Phase 2-Hedidedal Ext 28</li> <li>• Botshabelo Area J; J11 and Area F</li> <li>• Botshabelo Areas A-E; in process</li> <li>• Matwabeng Ext 6 (LG370/2003)</li> <li>• Morojaneng Ext 6</li> <li>• Erlich Park awaits rates clearance certificates</li> <li>• General Plan 576/1997 in respect of erf 1872 Sasolburg Ext 1.</li> </ul> <p>The strategy could not be finalised as clarity is needed on the issues around the Special Purpose Vehicle being conceptualised by the National Housing Department. A land Audit will nonetheless be undertaken during 2007/2008.</p> <p>Maluti-a-Phofung requires the following land parcels for housing:</p> <ul style="list-style-type: none"> <li>• Phuthaditjhaba Extension 13 commonly known as Sedibeng comprising 192 erven situated on Portion 276 of Farm Witzieshoek 1926</li> <li>• Phuthaditjhaba Extension 14 commonly known as Lejwaneng comprising 353 erven situated on Portion 277 of Farm Witsieshoek 1926</li> <li>• Phuthaditjhaba Extension 15 commonly known as Mantsubise comprising 289 erven situated on Portion 278 of Farm Witzieshoek 1926</li> <li>• Phuthaditjhaba Extension 16 commonly known as Thabatjijha comprising 1439 erven situated on Portion 279 of Farm Witzieshoek 1926</li> <li>• Portion 10 of the farm Patrys Kamp 933, Harrismith District, Province of the Free State</li> <li>• Portion 7 of the farm Comet 934, Harrismith District, Province of the Free State.</li> </ul> <p>The municipality has accordingly been assisted and consequently approval obtained for the disposal of properties referred to in paragraph 1-4 above to the municipality. The item 28(1) certificate in respect of paragraphs 5-6 above is awaited from the Minister of Land Affairs.</p>

... Programme Performance ...

**STRATEGIC OBJECTIVE 2.4: TO EFFECTIVELY AND EFFICIENTLY MANAGE HOUSING ASSETS**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
<p>To provide for the effective and efficient management of:</p> <ul style="list-style-type: none"> <li>Asset Maintenance</li> <li>The sale and transfer of housing assets</li> <li>Debt management processes</li> <li>Devolution of housing assets to municipalities</li> <li>Regulating rental housing in the province</li> <li>Promoting ownership of state financed rental housing</li> </ul>	<ul style="list-style-type: none"> <li>• 240 houses maintained</li> <li>• Identified rental stock sold or transferred</li> <li>• 50% registered cases resolved by Rental Tribunal</li> </ul>	<p>Develop and implement a maintenance plan</p> <p>Maintain 240 houses</p> <p>Develop and implement the asset disposal strategy</p> <p>Conduct an audit and develop a database of available rental stock</p> <p>Facilitate the appointment of Members to the Rental Housing Tribunal</p> <p>Resolve 160 cases</p>	<p>The housing units are maintained on an ad-hoc basis. A plan was not drafted as the department is in the process of devolving these assets.</p> <p>Submission requesting approval to pay the amount of R 350 000, 00 for escalation to a Special Needs Housing Project namely, Mphahlatane, was approved. An Addendum for additional payment was drafted and signed, and payment was made.</p> <p>A policy has been developed and approved. Implementation will be commenced.</p> <p>An asset register on the National Housing Debtor System is monitored and updated on an ongoing basis.</p> <p>The MEC and the HOD nominated Members of the Tribunal. An information session with the nominees where their role and functions were explained was held. A submission together with a presentation on the purpose of the Tribunal and its role in terms of housing were prepared for the Housing Portfolio Committee. The latter resolved on 21 February 2007 that invitations for nominations be re-advertised. Notices inviting nominations were re-published in the print media and in the Provincial Gazette during March 2007 and in other newspapers from 16 /03/2007 to 25/03/2007.</p> <p>Rental Housing complaints are received regularly and these are being handled by the directorate on an ad hoc basis while awaiting the Rental Housing Tribunal to be operational.</p>
<ul style="list-style-type: none"> <li>• 5 660 deeds of transfer registered regarding the Extended Discount Benefit Scheme</li> </ul>	<p>Conduct an information gathering exercise</p> <p>Ensure the registration of 5 660 deeds of transfer</p>	<p>Terms of Reference are being developed for the new Community Residential Units Policy for utilisation in the audits that need to be conducted to determine the location, the state of repair and number of Enhanced Extended Discount Benefit Scheme (EEDBS) housing stock.</p> <p>Partly achieved as the consultant appointed is in the process of registering the deeds of transfer.</p>	

## 2.5.4 Programme 3: Local Government

### **Purpose**

The programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities and traditional leadership institutions in terms of the Constitution of 1996. The programme also aims to render support services regarding disaster management, planning and development .

### **Measurable Objectives**

In order to achieve the strategic goal of Programme 3, i.e. Accountable and sustainable local governance in the Free State Province, the following strategic objectives were pursued:

- (a) To mainstream hands-on support to local government to improve municipal governance, performance and accountability
- (b) To address the structure and governance arrangements of the State in order to better, strengthen, support and monitor local government
- (c) To refine and strengthening the policy, regulatory and fiscal environment for local government and give greater attention to the enforcement measures
- (d) To promote integrated spatial planning
- (e) To enhance improved municipal infrastructure.

### **Service Delivery Objectives, Indicators and Achievements**

The programme performed as follows during the year under review towards achieving its strategic objectives.

**STRATEGIC OBJECTIVE 3.1: TO STRENGTHEN LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
<p>To ensure the successful implementation of legislation, policies and guidelines within local government and traditional leadership</p>	<p>Efficient governance and administration: Improve integrated development planning and implementation</p>	<p>4 status reports submitted on agreements established on service delivery and development programmes between Traditional Leaders, municipalities and sector departments</p> <p>100% policies, guidelines and legislation formulated and implemented with regard to the following:</p> <ul style="list-style-type: none"> <li>• Traditional Institutional Arrangements</li> <li>• Traditional Resource Administration</li> <li>• Traditional Affairs Integration/ Development Facilitation</li> <li>• Traditional Land Administration</li> </ul> <p>100% Operational local houses and traditional councils</p>	<p>No agreements have been entered into however the relationship between Traditional Leaders and respective local municipalities, Mangaung and Maluti-a-Phofung, has created an opportunity for Traditional Leaders to participate in municipal affairs. A task team has been established to look at areas where agreements would be reached.</p> <p>The following agreements /partnerships were entered into during the reporting period:</p> <ul style="list-style-type: none"> <li>• A Memorandum of Understanding (MoU) with the Provincial Treasury on supporting municipalities on the implementation of the MFMA was signed. A draft Implementation Work Plan has also been developed.</li> <li>• Partnership agreements with the Department of Water Affairs and Forestry (DWAF) and municipalities were entered into for the Bucket Eradication programme.</li> <li>• An agreement was reached with five district municipalities for the development of District Spatial Development Frameworks (SDFs). These districts SDFs are currently being reviewed and updated.</li> <li>• A partnership was forged with sector departments to develop and implement the Provincial Plan on the Five-Year Local Government Strategic Agenda.</li> <li>• A MoU was signed with the Independent Development Trust (IDT) for the establishment of the Programme Management Unit of Project Consolidate.</li> <li>• An agreement was reached with municipalities for the supervision and management of the Community Development Workers (CDWs).</li> <li>• An agreement was reached with the Development Bank of Southern Africa (DBSA) on the deployment of Siyenza Manje technical experts.</li> <li>• A partnership was reached with the Free State Provincial Chapter of the South African Local Government Association (SALGA) for the training of Ward Committees.</li> </ul> <p>The results and effects of the above agreements are:</p> <ul style="list-style-type: none"> <li>• Effective implementation of service delivery programmes (e.g. MIG including Bucket Eradication)</li> <li>• Enhancement of partnerships and the improvement of stakeholder relationships.</li> </ul> <p>Regulations on the Free State Traditional and Governance Act were published in December 2006 for comments.</p> <p>The department awaits the passage of appropriate legislation currently on its 6th Bill, and being considered by DPLG, the Department of the Premier and this department.</p> <p>MECLOGA is 100% functional. Four of the five District Inter-Governmental Relations (IGR) structures have been established but are not effectively functioning due to lack of internalisation of the Act by district municipalities. Numerous reports were developed and submitted towards informing the deliberation of the Premier Co-ordination Forum (PCF). A foundation was also laid towards strengthening the relationship between the Department, municipalities and organized local government, resulting in improved working relations and improved communications. In addition to implementing the IGR Act the Department also established the following fora:</p> <ul style="list-style-type: none"> <li>• LED Forum</li> <li>• MIG Monitoring Forum</li> <li>• Provincial Disaster Management Forum</li> <li>• Chief Finance Officer Forum</li> <li>• Project Consolidate Steering Committee.</li> </ul>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	6 Reports (1 province and 5 districts) submitted on compliance with Inter-governmental Relations Act (IGR) in municipalities	100% Operational IGR structures in accordance with Act <ul style="list-style-type: none"> <li>Develop reporting framework</li> <li>Collect compliance information</li> <li>Develop and submit 6 reports</li> </ul>	A provincial report on the implementation of the IGR Act was developed and forwarded to the Department of Provincial and Local Government (dplg).
	A master IGR agreement developed	Develop and consult on the draft master IGR agreement Adopt and implement agreement Implement, monitor, report and review the agreement	A draft master IGR agreement was developed and circulated to municipalities
	Municipal International Relations (MIR) agreements concluded by all municipalities	Popularise the MIR framework Identify international twinning opportunities for municipalities Develop a database on twinning arrangements Facilitate twinning arrangements Monitor and report on twinning arrangements	Municipal International Relations (MIR) agreements concluded by municipalities Copies of the Municipal International Relations Framework distributed to municipalities Twinning opportunities identified from national and provincial international agreements A database compiled by the Department of the Premier has been used to create a database of possible areas of twinning No monitoring was done as no twinning arrangements were completed yet.
	26 reports submitted on compliance with local government legislation in municipalities	Develop and popularise the monitoring tool Collect information compliance Compile and submit 26 reports on compliance	A composite report was developed on municipalities' compliance with by-laws, their rationalization and implementation. An intervention plan was developed and implemented to support municipalities in developing and implementing by-laws. Forty five (45) sets of generic by-laws have also been developed for adaptation by municipalities.
	25 municipal annual financial statements assessed	Assess received annual financial statements on a quarterly basis Develop and submit an annual assessment report	Eighteen (18) sets of Annual Financial Statements were assessed for the 2004/05 financial year and 3 sets of Annual Financial Statements were assessed for 2005/06 financial year. There is a challenge regarding the punctual submission of AFS by municipalities. This impacts on the Office of the Auditor-General to submit his report on the stipulated timeframes. An assessment Pro-Forma was developed in cooperation with the Provincial Treasury. All assessments done were reported to the MEC for Local Government and Housing.

... Programme Performance ...

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	25 Auditor-General reports assessed in respect of municipalities	Assess received Auditor General and PROPAC reports on a quarterly basis Develop and submit an annual consolidated report	The following reports were received from the Auditor General. These were assessed and submitted to the MEC: <ul style="list-style-type: none"> <li>• 2002/03 Financial year 6</li> <li>• 2003/04 Financial year 7</li> <li>• 2004/05 Financial year 5</li> </ul> 66 PROPAC resolutions were received and communicated to Municipalities. Progress was reported to the Free State Provincial Treasury.
	30% Decrease in government service arrears in debt to municipalities	<ul style="list-style-type: none"> <li>• Facilitate government payment agreements with all sectors departments</li> <li>• Obtain EXCO endorsement of the agreement</li> <li>• Implement and monitor the agreements</li> <li>• Develop a report on the impact of the agreement</li> </ul>	Government debt to municipalities decreased by 27%. The department hosted a Local Government Debt Collection Summit in February 2007 to focus specific attention to the challenge of debt collection. The resolutions emanating from the Summit will be implemented during the 2007/2008 financial year.
	2 Impact studies conducted on the impact of local governance on the lives of the people in the Free State	<ul style="list-style-type: none"> <li>• Commission and conduct the impact study</li> <li>• Develop draft and consult thereon</li> <li>• Finalize and publish the report</li> </ul>	Bid was called but not adjudicated.
To create and sustain adequate capacity within municipalities	Protocol agreement established by Provincial Treasury 100% implemented	Establish a steering committee to implement the agreement and facilitate the implementation of the agreement Monitor the implementation of the agreement and report on the success thereof on a quarterly basis	A Memorandum of Understanding (MoU) was developed and signed between this department and the Free State Provincial Treasury. The MoU was converted to an MFMA Work Plan and awaits the approval of the MFMA Steering Committee.  No monitoring was done as the MFMA Work Plan is awaiting approval.
	25 Identified Municipalities monitored and reported on with regard to their financial positions	Compile and submit 12 consolidated monthly reports Compile and submit 4 quarterly feedback reports	Twelve (12) monthly and 4 quarterly reports were compiled and submitted on the state of local government finances.  Four (4) quarterly feedback reports were compiled and provided to district and local municipalities.

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Policies and guidelines on municipal finances 100% formulated	<p>Popularising the Municipal Property Rates Act (MPRA)</p> <p>Status quo report on the implementation of the Act</p> <p>Establish the municipal Valuation Appeal Board for each District</p> <p>Submit a monitoring report on the implementation of the Act</p>	<p>Not achieved</p> <p>Two (2) monitoring questionnaires were circulated to all municipalities and the findings thereof were reported.</p> <p>Nominations were called for the Valuation Appeal Boards. Due to insufficient nominations received, it will be re-advertised during the 2007/2008 financial year.</p> <p>Progress on the implementation of the Act was reported at DPLG National Technical Task Team meetings.</p>
Municipal finance capacity building programmes 100% implemented		<p>Develop and implement a business plan targeting Project Consolidate municipalities</p> <p>Monitor the impact of Project Consolidate</p> <p>Develop a close-out report</p>	<p>Six (6) municipalities viz. Phumelela, Naledi, Tokologo, Kopanong, Matjhabeng and Nala were supported in dealing with municipal finances. Three Municipalities e.g. Ngwathe, Nkebotana and Letsemeng were supported with the compilation of Annual Financial Statements, and a CFO function at the Naledi Local Municipality.</p> <p>A CFO Forum has been established and is operational, and technical assistance was provided to the Naledi and Phumelela Local Municipality to strengthen the treasury and management of income and expenditure. The net effect is updated records, effective maintenance of register of contracts, compilation of bank reconciliation and drafting of the draft budget, enhanced income and expenditure management, and the collection of revenue.</p> <p>Closeout reports were submitted for specific interventions.</p>
To facilitate the successful implementation of Project Consolidate	100% Implementation of Project Consolidate in selected municipalities	<p>Submit an assessment report on the implementation of MAP and Provincial Action Plan</p> <p>Mobilise resources for implementation</p> <p>Facilitate the implementation of MAPs and Provincial Action Plans</p> <p>Compile and submit an annual monitoring report</p>	<p>Project Consolidate Municipal and Provincial Action Plans were developed. Monthly progress reports were also written on the implementation of Project Consolidate Action Plan 2: Support.</p> <p>The IDT is funding a Local Area Planning programme at Phumelela. Nestle is supporting emerging farmers at Maluti-a-Phofung. Funding from Umsobomvu Youth Fund to assist the Youth with LED Programmes at the Xhariep District Municipality was also secured. Also secured commitment from the Department of Public Works, Roads and Transport to assist municipalities with the development and implementation of fleet management plans. Sector department's resources were also secured.</p> <p>The department has established the District Implementation Plans format through bi-lateral visits to municipalities and is monitoring progress on the implementation of the municipal action plans.</p> <p>4 quarterly progress reports have been developed.</p>

... Programme Performance ...

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Operational Provincial PMU and municipal PMU function for effective project management of key service delivery programmes (MIG, Project Consolidate, ISRDP, LED)	<p>Implement the MOU with IDT</p> <p>Evaluate and review municipal PMUs</p> <p>Implement and strengthen PMUs</p> <p>Monitor and report on the above</p>	<p>The MoU on Project Consolidate has established a Programme Management Unit that is co-ordinating the implementation of municipal and provincial action plans. Twelve (12) MIG Municipal PMUs were established, are functional and are co-ordinated by the department.</p> <p>Project Consolidate municipalities have developed LED strategies and economic profiles. Eleven (11) municipalities have expended 85% of the 2006/2007 MIG allocation by the end of March 2007. The Independent Development Trust (IDT) trained 35 Ward Committee Members, 14 officials and 7 Community Development Workers in Local Area Planning and as a result, 4 Ward Plans were developed. Two progress reports have been developed on the 5-Year Local Government Strategic Agenda.</p> <p>Deployed technical experts (SIYENZA Manje, DWAF, SAICE).</p> <p>Monthly monitoring reports were developed on the activities of the Project Management Units (PMUs).</p>
To ensure the effective implementation of local government legislation	100% Compliance to legislation by municipalities	<p>Conduct an audit on municipal compliance with legislation</p> <p>Develop and maintain a database of legislation</p> <p>Render legal advice and support on request</p> <p>Improve skills and understanding of identified municipalities towards implementing legislation</p> <p>Finalize the following requests:</p> <ul style="list-style-type: none"> <li>• Demarcation of municipal boundaries</li> <li>• Change in type of municipality</li> <li>• Re-adjustment of powers and functions</li> </ul>	<p>An audit was conducted on municipal compliance with legislation especially compliance to municipal by-laws.</p> <p>A database of legislation has been maintained. Some of these documents were translated into pdf format: national regulations, notices, list of old and redundant by-laws, municipal powers and functions. 37 generic draft by-laws are in a final format.</p> <p>Provided legal advice to municipalities on request, e.g. designation of chief whipper, change of municipal type, functions of speakers and mayors, establishment of joint administrations.</p> <p>Approximately 30 bilateral sessions were convened with municipalities on the development, adaptation and implementation of municipal by-laws.</p> <p>Dealt with municipal boundary adjustment hearings at Naledi, Setsoto, Mangaung and Phumelela. Still in progress.</p> <p>Advised and effected a change of municipal type at Mochaka Local Municipality.</p> <p>Finalized annual adjustment of powers and functions between local and district municipalities for the year starting on 1 July 2007 until further notice.</p>

**STRATEGIC OBJECTIVE 3.2: TO IMPROVE THE ACCOUNTABILITY OF LOCAL GOVERNMENT TO THE COMMUNITY AND OTHER SPHERES OF GOVERNMENT**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To enhance public participation in local governance	100% Operational Ward Committees	<p>Popularise the handbook and resource book on Ward Committees</p> <p>Facilitate the establishment of Ward Committees</p> <p>Capacitate ward committee members through 5 district workshops</p> <p>Monitor and evaluate the impact of the Ward Committees</p>	<p>The handbook and resource books were reproduced and circulated to municipalities.</p> <p>84% of the 300 Ward Committees have been established and are functional.</p> <p>A partnership has been concluded with SALGA for the implementation of a province-wide Ward Committees capacity building programme. R3,2 million has been transferred to the Provincial Chapter of SALGA for the implementation of the said Programme.</p> <p>4 Quarterly reports were developed on the functionality of Ward Committees.</p>
	Successful implementation of 5 capacity building programmes on Ward Committees	<p>Develop a need identification report</p> <p>Develop and implement targeted capacity building programmes</p> <p>Monitor and report on the effect of the above capacity building programmes</p>	<p>In partnership with SALGA, a need analysis was conducted to identify the skills needs of Ward Committees.</p> <p>A partnership has been concluded with SALGA for the implementation of a province-wide ward Committee capacity building programme. R3,2 million has been transferred to the Provincial Chapter of SALGA for the implementation of the said programme.</p> <p>The skills audit has been done.</p>
	Agreements entered into between traditional institutions and municipalities on co-operative governance	<p>Draft agreements</p> <p>Consult with identified municipalities and conclude new agreements on a quarterly basis</p> <p>Maintain existing agreements</p>	<p>First consultative meeting between the traditional leaders and the municipalities took place. The task team comprising of both the traditional leaders and the municipalities is established.</p> <p>No draft agreements were produced for cooperative agreement between municipalities and the institution of traditional leaders. The drafts will be produced through the interaction between the task team.</p> <p>No agreements existed to be maintained. Once the agreements are signed they will be maintained.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	<p>94 CDWs absorbed and implementing policies and programmes. 184 CDW learners trained</p> <p>22 CDW learners recruited</p>	<p>Develop an exit and retention strategy for all CDWs and have it adopted by all stakeholders</p> <p>Implement the exit and retention strategy and monitor and report on the success thereof</p> <p>Introduce government programme of action and an implementation plan to 94 CDWs.</p> <p>Identify capacity needs of the 94 CDWs</p> <p>Develop and implement a training programme based on the above (after sourcing funding)</p> <p>Support the 94 CDWs in implementing Government PoA, monitor and report on the implementation thereof</p> <p>Identify vacancies of CDWs and source funds for the training of the 22 CDWs</p>	<p>A national framework is being used to govern the operations of the CDWs.</p> <p>CDWs were absorbed into the department and the department retention strategy and exit strategy is applicable to the CDW programme.</p> <p>An induction programme was implemented targeting 252 CDWs to the work of government, e.g. Programme of Action, Code of Conduct, etc.</p> <p>Based on training received and the evaluation of monthly progress reports developed by CDWs, capacity needs have been established.</p> <p>CDWs were trained on the following:  The establishment of co-operatives  Housing related matters  Water and sanitation related matters  Local Area Planning.</p> <p>CDWs were trained on monitoring and reporting system. Monthly reports on the implementation of Government PoA were compiled.</p>
		<p>Monitor the performance of the 184 CDWs undergoing training.</p> <p>Implement CDW learnership training for 22 and monitor their performance</p>	<p>Monthly monitoring reports have been submitted by the FET colleges.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	<p>Full implementation of the performance management system in municipalities</p>	<p>Review and support the establishment and implementation of a municipal performance management system</p> <p>Establish the Provincial Management System Collect Information</p> <p>Monitor, advice and submit a status report on the above</p>	<p>Fourteen (14) municipalities were supported with the development of the PMS framework. Four municipalities have developed and are implementing the framework.</p> <p>In partnership with the SITTA, an electronic monitoring system (e.g. Electronic Management Monitoring Aid – EMMA) has been established and will be used to monitor the performance of municipalities.</p> <p>Two status reports were developed on the implementation of PMS, addressing Performance Agreements, PMS Frameworks and Employment Contracts.</p>
<p>To create and sustain a performance culture within local governance</p>	<p>Four reports submitted on the performance of municipalities</p>	<p>Submit 4 quarterly consolidated district reports</p> <p>Render continuous advice and support</p>	<p>Three consolidated district reports were developed on the overall performance of municipalities.</p> <p>Municipalities were supported on development of the PMS frameworks.</p>
	<p>All municipalities participating in a provincial municipal performance rewarding event</p>	<p>Develop a framework and call for nominations</p> <p>Conduct assessments and in loco inspections</p> <p>Submit status and progress reports</p> <p>Host the provincial reward event</p> <p>Facilitate knowledge sharing sessions and events</p>	<p>The department used the national framework of the VUNA Awards and actively conducted information sessions and sent memoranda to municipalities encouraging them to participate.</p> <p>Municipalities were visited and assessment reports were developed and submitted.</p> <p>Status and status quo reports were also developed.</p> <p>The Provincial Reward Event was successfully hosted.</p> <p>Held the following knowledge sharing sessions and/or events:</p> <ul style="list-style-type: none"> <li>• A Debt Recovery Summit</li> <li>• A sanitation and alternative sanitation session</li> <li>• A Spatial Development Framework session</li> <li>• A Land Use Management Systems session</li> <li>• Municipal by-laws sessions.</li> </ul>

... Programme Performance ...

**STRATEGIC OBJECTIVE 3.3: TO PROMOTE INTEGRATED SPATIAL PLANNING**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	500 Land development applications evaluated and processed	Evaluate and process ± 500 land development applications	35 Township Board hearings were held and 22 scheduled meetings were conducted. The following land development applications were dealt with: * Quarter 1: 225 * Quarter 2: 324 * Quarter 3: 279 * Quarter 4: 267  Total number of land development applications dealt with during the year under reporting: 1 095
To promote land development within the Free State Province	100% Updated policies, guidelines and legislation on land development	Develop, consult and implement on a land development policy  Implement with LUMS  Develop, consult and facilitate the successful implementation of Spatial development framework guidelines  Develop and implement land use survey guidelines  Develop new land use legislation	Policies have been developed for private streets, leisure residential and peri-urban development. Several policies regarding the Vrededorp Dome have also been finalised.  Three LUMS documents have been received. Consultative meetings were held with consultants and municipalities. Final documents will be submitted for evaluation according to the programme.  Discussions were held with municipalities and all have been trained. The guidelines are in the final stage of completion.  Discussions have been completed and this will commence in earnest coinciding with the satellite images.  Not yet developed. Note has been taken of all the shortcomings and a programme for the coming year will be compiled in order to make definite progress.
To promote integrated development within the Free State Province	4 Land Use Management Schemes compiled  100% alignment of municipal IDPS to PGDS	4 Land Use Management Schemes compiled  Align and assess guidelines formulated  Implement and support  Assess alignment	Four (4) LUMS have been compiled, evaluated and comments thereon were sent to municipalities  An alignment summit was held with municipalities. IDP engagement sessions were also held. The MEC and Premier signed-off IDPs. Comments and feedback was provided on submitted IDPs  Roadshows were conducted to provide feedback to municipalities. A provincial information session on the Spatial Development Framework was also convened, led by the MEC for Local Government and Housing.  A provincial assessment was done on submitted IDP, which needed minimal alignment.

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	<p>25 support programmes on IDPs developed and implemented.</p> <p>5 District hearing reports and MEC comments developed</p>	<p>24 Support Programmes on IDPs developed and implemented</p> <p>IDP hearings conducted</p> <p>MEC Report developed</p> <p>Plan of Action developed and implemented</p> <p>Report on the status of the above</p>	<p>No support programme was developed and implemented.</p> <p>A Provincial IDP Hearing was held and a provincial report was developed.</p> <p>The MEC report was developed and presented at the Premier's engagement sign-off session.</p> <p>A plan of action was developed but has not yet been implemented.</p> <p>A report on the status of IDPs was developed.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To ensure that comprehensive and accurate spatial information is made available	Credible spatial data of geographical areas available	<p>Print maps as requested by Departments / public</p> <p>Compile 10 profiles/ perspectives</p> <p>Provide all municipalities with information maps e.g. erven, farms, and combined maps.</p> <p>Update PSDF information when information is available</p> <p>Update SG-data (erven and farms) on a quarterly basis</p> <p>Create 14 databases for maps required</p> <p>Establish new server to store data and update date on server</p>	<p>A total of 15 000 maps of different categories (e.g. erven maps) were printed for the PSDF/DSDF and departments (This amounts to 500 m<sup>2</sup> e or 12 paper rolls).</p> <p>No compilation of any perspectives: Districts SDFs for al 5 districts developed and submitted for district inputs.</p> <p>Maps compiled and printed and distributed.</p> <p>Achieved objectives.</p> <p>SG-data updated as planned.</p> <p>Only 2 go-data bases were compiled. Maintenance of existing databases took place (updating of information). No other specific requests for this function were received.</p> <p>New server established. Latest data captured on server. An old computer was upgraded and built to specific requirements necessary to store data.</p>
		<p>Support and assist 7 municipalities with the establishment of spatial database</p> <p>Field support to 16 municipalities on request</p> <p>Collect raw data and processing on request</p>	<p>Only 1 municipality (Nala) could be assisted to establish a working. GIS, was too large to assist another municipality. Maps had to be digital for the municipality to capture it on computer.</p> <p>Field support was only provided to Nala.</p> <p>No requests received for special processing of data.</p>
	District spatial development framework aligned to the PSDF	Align and integrate 5 District Spatial Development Frameworks (SDFs) Monitor alignment	Municipalities must still approve SDF. Alignment was monitored when draft District SDFs were done for the respective districts.
	100% Updated FS Provincial Spatial Development Framework	Update the FS Provincial Spatial Development Framework in accordance with the FSGDS Review Action Plan	The Provincial Spatial Development Framework was updated and presented to the 4 EXCO Clusters. Requests are being processed before a final document is presented to EXCO for approval.
	Municipal spatial development frameworks developed in all 5 Districts	All District Municipalities	Municipalities must still approve the District Spatial Development Frameworks.

**STRATEGIC OBJECTIVE 3.4: TO CREATE AND SUSTAIN A DISASTER-FREE ENVIRONMENT IN THE FREE STATE PROVINCE**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Provincial disaster management framework developed	Consolidate information from various stakeholders Develop, finalize and implement the provincial disaster management framework Submit an annual review report	A draft Disaster Management Framework was sent to municipalities. 5 district road shows were held to discuss the framework and obtain feedback from stakeholders. Two working sessions were held on the Framework with representatives from provincial departments and government social partners. A final draft Disaster Management Framework has been developed. Not achieved.
To minimize the impact of disasters in the Free State Province	Provincial disaster management plans and institutional structures established	Finalize and implement the provincial disaster management plan Submit an annual review report	A Provincial Disaster Management Plan was developed and popularised through district road shows. Not achieved.
	100 Operational Provincial Disaster Management Forum	Establish and facilitate the implementation of the Provincial Disaster Management Forum Monitoring the functioning of the forum Prepare and submit an annual review report	Four (1 Provincial and 3 Districts) Provincial Disaster Management Fora have been established and are operational. The functioning of the fora is being monitored by attending scheduled meetings. A report was developed on the status of the above fora and other related disaster management matters.
To identify and prevent potential in the Free State Province	100% Updated and effective vulnerability atlas	Consolidate information from various stakeholders Develop, popularise and maintain the atlas	Information was collected from various stakeholders and the spatial information unit within the department. The vulnerability atlas has been developed.
	100% Operational Disaster Management Centre	Develop and cost the business plan for the centre Leverage funds for the centre Implement the Business Plan	A business plan for the Disaster Operational Centre has been developed and costs estimated. Funding secured for the first phase through partnership with the Department of Health. Construction is meant to start in the 2007-2008 financial year.

... Programme Performance ...

**STRATEGIC OBJECTIVE 3.5: TO IMPROVE LOCAL ECONOMIES**

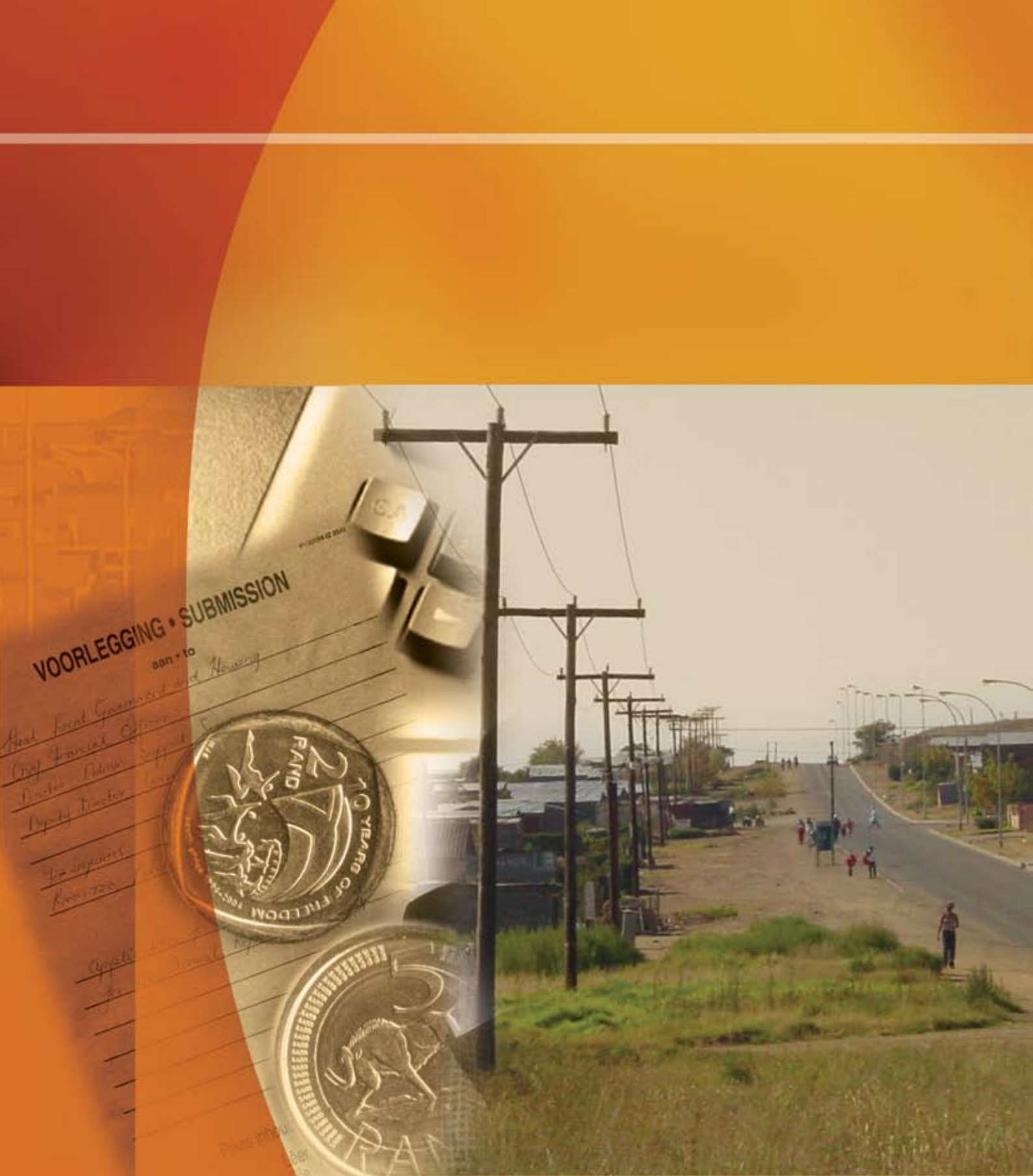
Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To improve Local Economic Development (LED) within municipalities	LED strategy and guidelines implemented in 25 municipalities 21 Operational LED units supported 100% Operational Provincial LED Forum	Develop and implement the LED Strategy and guidelines in all municipalities Monitor and report Monitor and report	A national LED Strategy was developed and cascaded to the province and all municipalities. 25 LED units were established. The capacity of the units is however uneven. A Provincial LED Forum was established and is 80% functional.
To monitor the impact of and to sustain ISRDP/URP in the node	All municipalities supported in the implementation of ISRDP/URP	Conduct impact assessment Forge partnerships Monitor implementation and report thereon Co-ordinate the contribution of sector departments Submit quarterly progress reports Strengthen the secretariat Popularise the Golden Gate Declaration Distil lessons learnt from ISRDP for the implementation of projects	An impact assessment was conducted. New partnerships have been formed and some maintained with ESKOM, TELKOM, Maluti Water, IDT and Nestlé. Ongoing nodal monitoring is taking place in partnership with Thabo Mofutsanyana District Municipality. Three monthly meetings were held with sector departments to monitor their contributions on the nodal anchor projects. One report was submitted to the Political Champion of the node and the MEC for Local Government and Housing. Secretariat services were provided by the IDT on an ongoing basis. Presentations were made to Sector Departments and various stakeholders in March 2007. It was agreed that the declaration needs to be reviewed. Activities are in progress. Discussions to replicate lessons learnt in Maluti-a-Phofung to other municipalities in the district are at an advanced stage.
To establish and sustain Public Private Partnerships towards improved economic growth	1 Public Private Partnerships established and sustained per district	Identifying areas and programmes that require partnerships Conclude and establish partnerships and service level agreements and maintain such agreements Monitor and report on the above	The Department of Provincial and Local Government (DPLG) is finalizing guidelines for Municipal Service Partnerships (MSP), which will be rolled out in the 2007/2008 financial year. This will be attended to once the above-mentioned guidelines have been made available by DPLG. This will be done once the above-mentioned guidelines have been made available by DPLG.

**STRATEGIC OBJECTIVE 3.6: TO ENHANCE IMPROVED MUNICIPAL INFRASTRUCTURE AND FREE BASIC SERVICES**

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To facilitate the successful implementation of the Municipal Infrastructure Grant programme in municipalities	Full implementation of MIG policies and guidelines	Facilitate 8 monthly PMU monitoring meetings Conduct provincial bi-monthly and quarterly PMITT meetings	<p>Eight monthly PMU meetings were held through the year where a hands-on approach ensured targeted monthly expenditure and overall monitoring and support of the programme.</p> <p>Four PMITT meetings were held with relevant Sector Departments for discussions on project needs in relation to infrastructure. Six bi-monthly meetings were held between DPLG, LGH, municipalities and Sector Departments in which municipalities reported on expenditure, at the same time addressing remedial measures. Four coordination meetings were held between LGH, DWAF, SAICE and DBSA to coordinate activities surrounding the planning and implementation of projects.</p> <p>Regarding the eradication of the bucket system, the following were achieved:</p> <ul style="list-style-type: none"> <li>• A total of 22 812 bucket toilets were eradicated for the four quarters of 2006/2007, with 83 516 outstanding. The Department of Water Affairs and Forestry (DWAF) and this department, are currently monitoring progress on a weekly basis.</li> <li>• Meetings have been scheduled with all municipalities.</li> <li>• An amount of R7, 9m was made available on the Provincial Budget to address part of backlog shortfall.</li> <li>• Municipalities were requested to re-prioritise projects and to use normal MIG funds also to eradicate buckets</li> <li>• DWAF in the process of revising unit costs.</li> <li>• A Bulk Water Supply Steering Committee was established to attend to bulk water problems.</li> <li>• DWAF assisted municipalities in planning and implementation processes.</li> <li>• Municipalities were requested to reconsider alternative sanitation in order to meet the target at end December 2007.</li> </ul>
20 municipalities recorded on Municipal Information System (MIS)	Verify CMIP projects Capture infrastructure projects on MIS Monitor KPIs of projects through MIS	178 CMIP projects were verified on the Municipal Information System. 140 project registration forms were recorded on the MIS on behalf of municipalities during the year. The department assisted 20 municipalities who did not have data capture and/or access to internet.	

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
	Capacity and support provided to all municipalities on DoRA and MIG reporting	<p>Identify areas of support</p> <p>Conduct monthly technical site visits</p> <p>Perform monthly admin support</p>	<p>Areas identified for support included: the implementation of the Bucket Eradication programme, financial management including cash flow management, DORA and KPI reporting and Project Management.</p> <p>A total of 188 site visits were conducted.</p> <p>The department, in partnership with DWAF, DBSA and SAICE provided technical assistance to all municipalities. 96 One-on-one meetings were held with officials in 21 municipalities with regard to reporting and person-to-person training was provided.</p>
	<p>Accurate reporting on 21 municipalities with regard to:</p> <ul style="list-style-type: none"> <li>• MIG</li> <li>• DORA</li> <li>• EPWP</li> </ul>	<p>Submit monthly consolidated reports on DORA</p> <p>Submit monthly consolidated reports on Project List</p> <p>Submit quarterly KPI and EPWP report</p>	<p>12 monthly reports were submitted to DPLG. 13 municipalities spent their full MIG allocation for the 2006/2007 financial year. The remaining 8 will spend their allocation before the end of June 2007, which is the end of the financial year for municipalities.</p> <p>Twelve (12) updated MIG project lists of 277 projects were submitted to DPLG.</p> <p>Two quarterly KPI reports were submitted to PWR&amp;T on EPWP projects in Mangaung and Mofheo. Other municipalities will only start to report on projects in the 2007/2008 financial year. Due to the department's intervention, EPWP officials are now less active in municipalities.</p>
To promote and enhance Free Basic Services within the Free State Province	Increase in households using? Free Basic Services (FBS)	<p>Develop a draft guideline on the implementation of FBS in consultation with municipalities.</p> <p>Popularise and facilitate the implementation of the above guidelines</p> <p>Support, monitor and report on the above</p> <p>Capture all Municipalities on the monitoring system</p> <p>Develop 25 indigent profiles</p>	<p>The department customized a National Policy on Free Basic Services. FBS was implemented in all 20 local municipalities where 6kl of water and 50Kwh of electricity are provided free with the exception of Mphokare Local Municipality who provides 30kl to the indigent due to affordability (not clear-need to explain affordability).</p> <p>Through MECLOGA the department made a presentation to all Mayors, Speakers and Municipal Managers to communicate the FBS Policy to communities.</p> <p>All 20 local municipalities were visited, challenges were identified and municipalities were advised to make provision to address the backlogs through their IDPs and 2007/2008 budgets.</p> <p>A monitoring system has been developed and implemented. Data on FBS for 20 municipalities has been recorded and is utilized towards improved planning.</p> <p>19 of the 20 local municipalities have identified and registered the indigents.</p>

Measurable Objectives	2006/2007 Performance Indicators	Annual Activities	Progress as on 31 March 2007
To monitor, support and report on the quality of drinking and waste-water within the Free State Province	Improved quality of drinking and wastewater	Monitor and report on the quality of the drinking and wastewater at all the Water Service Authorities (WSAs) in the Free State Conduct 60 site visits on a quarterly basis	Twelve (12) monitoring reports on Drinking and Waste Water have been received, evaluated and submitted to the Social and Human Development Cluster. 240 site visits were conducted during the year under reporting.
Implementation and monitoring of provincial infrastructure projects	Successful implementation of projects that addresses urgent infrastructure backlogs, operations and maintenance within municipalities	Submit and approve needs assessment report Procure services and implement projects Monitor and report on the implementation of projects Submit monthly progress reports including report on the district funded infrastructure projects	A needs assessment was completed. The Provincial Infrastructure Fund made funds available to 5 local municipalities to repair and upgrade some of the equipment at the bulk water and sewerage plant that causes the poor quality on drinking and wastewater and infrastructure. 9 Projects were identified and approved in December 2006 and funds were transferred to municipalities in March 2007 on the condition that the Department monitor the implementation of the projects. Municipalities have appointed consultants on all projects and the Department monitored the procurement process within municipalities. Only 2-monthly progress reports were submitted as projects were only approved during December 2006.



## ••• PART 3: FINANCIAL STATEMENTS •••

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

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DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007**

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

**1. General review of the state of financial affairs**

The allocation received in the Main Budget for the 2006/2007 financial year amounts to R 718 062 000. This allocation includes conditional Grants to the amount of R 522 601 000.

The roll over funds as well as additional allocations made in the adjustment budget is made up as follows:

**Conditional grants:**

Human Settlement Grant	R 6 028 000
<b>Total</b>	<b>R 6 028 000</b>

**Provincial funds**

Provincial Infrastructure	R 1 186 000
Planning and Surveying	R 3 381 000
Spatial Development Framework	R 660 000
<b>Total</b>	<b>R 5 227 000</b>

**Additional Allocation**

Incomplete Houses	R 13 481 000
Community Development Workers	R 1 315 000
Local Government Water Related Services SETA	R 1 757 000
<b>Total</b>	<b>R 16 553 000</b>
<b>Grand Total</b>	<b>R 27 808 000</b>

Budget Reconciliation

	2006/07 R'000	2005/06 R'000
Main appropriation	718,062	556,719
Plus: Adjustment estimate	27,808	112,707
Rollover from previous year	11,255	109,273
Additional allocation	16,553	3,434
<b>Sub -Total</b>	<b>745,870</b>	<b>669,426</b>
Less: Total expenditure	722,488	(527,219)
Authorised programme	(722,179)	(526,828)
Authorised losses	(309)	(391)
<b>Surplus per appropriation account</b>	<b>23,382</b>	<b>142,207</b>
Less: Roll over/carried forward	(21,533)	(11,255)
<b>Under spending</b>	<b>1,849</b>	<b>130,952</b>

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007

The amount requested to be rolled over to the 2007/08 financial year was made up as follows:

Description	Amount R'000
Human Settlement Grant	4,350
Incomplete Houses	13,481
Housing Grant	216
Planning and Surveying	2,486
Local Economic Development	1,000
<b>Total</b>	<b>21,533</b>

## 2. Services rendered by the department

### 2.1 Advertisements: Rezoning fees/removal of restrictions

#### Tariff Policy

A tariff policy regarding the fees payable in regard to the following three sets of Legislation was developed and implemented:

- 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)

The tariffs will be evaluated on an annual basis and where applicable, increase.

### 2.2 Inventories

The Department has one store handling the provisioning of Inventory items. At the end of the financial year, items to the value of R 124 359.46 were in the store.

## 3. Capacity Constraints

A shortage of personnel was experienced within the department. Although all functions were performed, most personnel were responsible to handle additional functions, which placed a strain on service delivery. Restructuring within the department took place and the department is currently in the process of Job Evaluating all posts. Personnel were appointed from November 2007. Dire insufficient office accommodation and resources add to the current constraints.

## 4. Utilisation of donor funds

For the reporting period the department received donor funds from two different sources:

### 4.1 Foreign Aid: Flemish Government

A total amount of R659 000 was not utilised in the previous financial year and an additional amount of R442 000 was received in the 2006/07 financial year. These funds were received from the Flemish Government to provide training in the field of local governance, and the establishment of a one-stop-centre for assistance and support to municipalities. An amount of R442 000 was transferred to the University of the Free State in terms of the business plan as agreed.

REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2007

**4.2 Local Aid: Development Bank of Southern Africa**

A total amount of R298 000 was not utilised in the previous financial year and an additional amount of R429 000 was received from the Development Bank of Southern Africa (DBSA) to perform a capacity-building impact assessment, performance review and municipal profiling. An amount of R220 000 was spent in terms of the business plan as agreed upon.

**5. Other organisations to who transfer payments have been made**

The main functions performed by the department are to:

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

Due to the main functions of the department, transfer payments are made to the following organisations:

- a) District municipalities
- b) Local municipalities
- c) Contractors
- d) Households
- e) Universities
- f) House of Traditional Leaders
- g) Tribal Councils
- h) Sports Academy of the Free State

Accountability arrangements

A framework for the utilisation of funds and conditions for payments has been set, and is monitored during the payment process. Funds are gazetted and transferred in terms of these conditions as mentioned in the gazette. Concerning project related transfers, the actual transfers are only made when actual work has been completed at the receiving institution.

**6. Corporate governance arrangements**

In enhancing the corporate functioning of the Free State Provincial Government as a whole, the Department gave monthly progress reports to the Department of the Premier on various key activities applicable to the Department as contained in the Social Sector Programme of Action.

The Department also held quarterly performance review meetings that were attended by all Senior Managers, affording the Department the opportunity to review its performance against set objectives as contained in the 2006/2007 Strategic Plan.

The Department had held meetings with Traditional Leaders to clarify their roles and responsibilities in ward committees and municipalities.

**7. New / proposed activities**

**7.1 Community Development Workers**

The department appointed 265 (CDWs) as permanent employees during the 2006/07 financial year. The total projected cost for the appointment of the (CDWs) is R26 million.

## REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2007

**8. Asset Management**

The department implemented the BAUD asset system in 2003 that allocates a unique number to each asset. All assets purchased until 31 March 2007 have been recorded in this asset register. The system is meeting all the minimum requirements for an asset register.

**9. Performance Information**

Quarterly monitoring reports regarding the Strategic Plan and Operational Plan of the department are compiled to monitor and evaluate progress against set objectives. On a monthly basis the department also reports on the Conditional Grants for the Division of Revenue Act (DORA).

**10. Provincial Public Accounts Committee resolutions**

Resolution Number	Subject	Findings
33/2006 (1)	Under-spending on housing expenditure.	An under-spending of 24% was noted, and the Accounting Officer must implement measures to prevent under-spending in the future.
33/2006 (2)	Title deeds	The registration of properties in the name of beneficiaries is not yet finalised.
33/2006 (3)	Supporting documents	Problems were encountered regarding the submission of supporting documents in terms of the department as well as housing fund.

**Approval**

The annual financial statements set out on pages 77 to 116 have been approved by the Accounting Officer.



**MR KOPUNG F RALIKONTSANE**  
ACCOUNTING OFFICER  
LOCAL GOVERNMENT AND HOUSING

DATE: 31 May 2007

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

REPORT OF THE AUDITOR-GENERAL TO FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 8 – DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Free State Department of Local Government and Housing which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 77 to 116.

Responsibility of the accounting officer for the financial statements

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

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 645 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

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

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

**Basis for qualified opinion**

9. Irregular expenditure

(a) *Project linked subsidies*

- (i) Contrary to the stipulations of section 17(2)(b) of the Division of Revenue Act 2003, Act No. 7 of (DoRA), which only make provision for payments for services rendered, advance payments for project linked subsidies to contractors for the purchasing of building material amounting to R77,5 million as at 31 March 2007 were made. The recording of the expenses seems to be irregular as the expenditure could, at the time of payment, not be substantiated with a valid invoice and proof did not exist that the services have been rendered.

(b) *People's housing projects*

- (i) Payments to a private company for the management of people's housing process projects (PHP) amounting to R47,5 million were made during March 2007 and due to the lack of a report from the account administrator in terms of paragraph 8.2.1.3(b) of chapter 8 of the national Housing Code (NHC), the amount utilised until 31 March 2007 could not be determined. The recording of the PHP expenditure seems to be irregular as no proof existed that services would have been rendered before the end of the financial year and this is in contradiction with section 17(2)(b) of the DoRA.
- (ii) A private company has been appointed to manage the 13 PHP projects which could be considered as a duplication of the functions of the department / support organisations.

**Qualified opinion**

10. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Local Government and Housing as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with basis of accounting described in accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

**OTHER MATTERS**

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

11. Internal control

**Control activities**

The effectiveness of control activities over business and accounting processes are not in all instances adequate. This is evident from matters reported on debt recovery, safeguarding of assets, performing of reconciliations and ensuring that services have in fact been rendered for all payments made.

**12. Material non-compliance with applicable legislation**

**12.1 Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and Treasury Regulations**

A number of instances were noted where the department failed to comply with the PFMA. These include:

- Examples of long outstanding debts were revealed which were not always recovered effectively as required by Treasury Regulation 11.2.1.
- Insufficient safeguarding of assets resulting in a number of assets, mainly computer equipment, not being verified. Safeguarding of assets is required by section 38(1)(d) of the PFMA.
- Payments to suppliers were not always made within 30 days as required by Treasury Regulation 8.2.3.
- The internal audit function and the audit committee were not functioning fully for the year under review. In terms of section 38(1)(a)(ii) of the PFMA the department should establish a system of internal audit under a functioning audit committee. This was also reported in paragraph 5.2 of the prior year audit report.

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

**12.2 Division of Revenue Act (DORA)**

Monthly reports with regard to transfer payments were not in all instances submitted within 15 days as required by the DORA.

**12.3 Free State Provincial Housing Act**

The Free State Provincial Housing Board (Housing Advisory Panel of Experts) as per section 2A of the Free State Provincial Housing Act, 1999 (Act No. 7 of 1999), has been appointed by the MEC to assist on any matters relating to housing development as per paragraph 2C of the said act. Although the committee was appointed on 9 March 2006, only three meetings were held until 21 July 2006. The continued functionality of the committee is doubtful.

**12.4 Non-compliance with National Housing Code (NHC)**

In terms of paragraph 8.2.1.3(c) of the National Housing Code, the Account Administrator must, once a people's housing project has been completed, submit a detailed reconciliation to the department for payment. Due to policies and procedures not adhered to, the department could not indicate which people's housing projects were completed for payments, totalling R2,4 million for the year under review. The total payment over several years amounted to R111,5 million but the prescribed reconciliation reports could not be submitted. This indicates a serious lack of control over the actual service delivery by support organisations.

**13. Value for money matters**

*(a) General*

As a result of insufficient controls and monitoring of expenditure, value for money was not always obtained.

The main findings were:

- Vehicles for traditional leaders were paid for (R1 million) in the prior financial year already, but as yet, none of these vehicles were received.
- The costs for the year end function of R397 452 excluding beverages, (2006: ± R250 254 including beverages) appeared to be high.
- A high vacancy rate of approximately 58 per cent (2006: ± 68%) in the department persisted within the department.

*(b) Physical verification of houses built*

- (i) The audit again revealed various deficiencies regarding houses built (some 920 sites in 33 towns were visited). As a result of the lack of a proper procedure framework for performing inspections, many houses were not completed yet and some cases of weak workmanship were found which could lead to fruitless and wasteful expenditure. The following serve as examples:

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

Description	Type of subsidy		
	PLS *	PHP #	Total
(i) Houses fully paid but not completed.	14	n/a	14
(ii) Houses not completed and in some instances the building process had already been stopped for four years.	131	13	144
(iii) Walls with cracks, some which may be life threatening, were identified on fourteen sites.	3	11	14
(iv) No sewerage services were rendered and toilets were not always fitted or connected, or were defective. However, full payments were made as if the houses had been completed.	362	80	442
(v) Poor quality cement as plaster was falling from the walls on three sites was found.	3	0	3
(vi) Other fixed structures already existed on the sites where subsidy houses were built.	9	4	13
(vii) The same house allocated to more than one beneficiary.	3	0	3
(viii) Housing subsidies approved up to two years ago, but no construction or payments made.	37	20	57
(ix) Houses found not occupied and vandalism took place.	4	0	4
(x) At one project visited during the previous year half completed houses were found. Nothing was done the past year and in some instances window and door frames were broken out and removed. The structure of the houses was damaged in some instances.	45	0	45

\* PLS – Project linked subsidies

# PHP – People housing projects

- (ii) According to the agreement, dated 17 February 2005, between an institutional subsidy organisation and the department, an amount of R1,14 million was allocated and paid out over the last three years. During a visit to the project on 13 March 2007 it was found that the project was not completed and the hostel was not occupied by the beneficiaries as yet. Management controls to ensure the objective of the project was obtained and expenditure correctly allocated on the financial system was lacking.
- (iii) Houses were completed in hundred and thirty one instances but according to the Housing Subsidy System (HSS) data, the full subsidy amount had not yet been paid out resulting in a serious risk that overpayments could occur.

#### OTHER REPORTING RESPONSIBILITIES

##### Reporting on performance information

14. I have audited the performance information as set out on pages 15 to 65.

##### Responsibility of the accounting officer for the Department of Local Government and Housing

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

##### Responsibility of the Auditor-General

16. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.
17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures.

**REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007**

The procedures selected depend on the auditor's judgement.

18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

**Audit findings**

19. Performance information

(a) Various inconsistencies were identified between the measurable objectives included in the annual report, the budget and the strategic plan. Objectives were, for example, included in the annual report but could not be found in the strategic plan and vice versa. The strategic plan did not contain certain information as required by the Treasury Regulations.

This was due to a lack of management to ensure the accuracy and completeness of the information disclosed in the annual report.

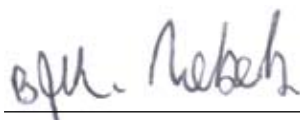
(b) The audit revealed a lack of supporting documentation to substantiate the performance information of the housing expenditure, for example, evidence of attendance registers for training and workshops held to verify the numbers of people educated on housing programmes through the Consumer Education Programmes, the developed and approved asset disposal policy, litigation cases successfully handled and copies of quarterly reports to management to monitor the rehabilitation of dysfunctional areas.

**Delay in finalisation of the audit**

20. Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006/07 financial year.

**APPRECIATION**

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

  
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**BJK van Niekerk for Auditor-General**

**Bloemfontein**

**31 August 2007**



DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
**ACCOUNTING POLICIES**  
for the year ended 31 March 2007

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

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

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

**1.2 Presentation currency**

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

**1.3 Rounding**

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

**1.4 Comparative figures**

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

**1.5 Comparative figures - Appropriation Statement**

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

**2. Revenue**

**2.1 Appropriated funds**

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

Total appropriated funds are presented in the statement of financial performance.

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

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
**ACCOUNTING POLICIES**  
for the year ended 31 March 2007

## **2.2 Departmental revenue**

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

### **2.2.1 Tax revenue**

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

Tax receipts are recognised in the statement of financial performance when received.

### **2.2.2 Sales of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

### **2.2.3 Fines, penalties & forfeits**

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

### **2.2.4 Interest, dividends and rent on land**

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

### **2.2.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

### **2.2.6 Financial transactions in assets and liabilities**

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

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

Forex gains are recognised on payment of funds.

### **2.2.7 Gifts, donations and sponsorships (transfers received)**

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

**ACCOUNTING POLICIES  
for the year ended 31 March 2007**

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

**2.3 Local and foreign aid assistance**

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

All in-kind local and foreign aid assistance is disclosed at fair value in the annexures to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. The value of the assistance expensed before the receipt of the funds is recognised as a receivable in the statement of financial position

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

**3. Expenditure****3.1 Compensation of employees**

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

**3.1.1 Short term employee benefits**

Short-term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

**3.1.2 Long-term employee benefits****3.1.2.1 Termination benefits**

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

### 3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system by no later than 31 March 2007.

### 3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system by no later than 31 March 2007. The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

### 3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system by no later than 31 March 2007. This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

### 3.4 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

### 3.5 Unauthorised expenditure

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

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

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
**ACCOUNTING POLICIES**  
for the year ended 31 March 2007

**3.6 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

**3.7 Irregular expenditure**

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

**3.8 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system by no later than 31 March 2007.

**3.9 Expenditure for capital assets**

Payments made for capital assets are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system by no later than 31 March 2007.

**4. Assets**

**4.1 Cash and cash equivalents**

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

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

**4.2 Prepayments and advances**

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

**4.3 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.4 Inventory**

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

**4.5 Capital assets**

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

**ACCOUNTING POLICIES  
for the year ended 31 March 2007**

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 24 and 25 reflect the total movement in the asset register for the current financial year.

**5. Liabilities****5.1 Payables**

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

**5.2 Lease commitments**

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

**5.3 Accruals**

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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

**5.4 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

**5.5 Commitments**

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
**ACCOUNTING POLICIES**  
for the year ended 31 March 2007

**6. Net Assets**

**6.1 Capitalisation reserve**

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

**6.2 Recoverable revenue**

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year.

**7. Related party transactions**

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information concerning related party transactions is included in the disclosure notes.

**8. Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
**APPROPRIATION STATEMENT**  
for the year ended 31 March 2007

Appropriation per Programme									
	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>1. Administration</b>									
Current payment	44 185	-	(5 741)	38 444	36 096	2 348	93.9%	39 210	35 915
Transfers and subsidies	6 779	-	2 066	8 845	8 373	472	94.7%	261	63
Payment for capital assets	2 009	-	-	2 009	750	1 259	37.3%	2 002	1 181
<b>2. Housing</b>									
Current payment	56 256	-	(17 689)	38 567	38 162	405	98.9%	38 128	30 488
Transfers and subsidies	538 458	-	15 599	554 057	540 348	13 709	97.5%	520 148	396 911
Payment for capital assets	1 873	-	-	1 873	646	1 227	34.5%	2 071	1 159
<b>3. Local Government</b>									
Current payment	74 551	-	(12 059)	62 492	60 395	2 097	96.6%	59 009	55 185
Transfers and subsidies	20 292	-	17 824	38 116	36 880	1 236	96.8%	6 278	4 463
Payment for capital assets	1 467	-	-	1 467	529	938	36.1%	2 319	1 463
<b>4. Special function:</b>									
<b>Losses</b>									
Current payment	-	-	-	-	309	(309)	0.0%	-	391
<b>Total</b>	<b>745 870</b>	<b>-</b>	<b>-</b>	<b>745 870</b>	<b>722 488</b>	<b>23 382</b>	<b>96.9%</b>	<b>669 426</b>	<b>527 219</b>
<b>Reconciliation with Statement of Financial Performance</b>									
Local and foreign aid assistance				1 828	-			8 565	-
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>747 698</b>	<b>-</b>			<b>677 991</b>	
Local and foreign aid assistance					662				7 608
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>723 150</b>				<b>534 827</b>

Appropriation per Economic Classification									
	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>									
Compensation of employees	90 374	-	(10 045)	80 329	78 893	1 436	98.2%	70 132	64 541
Goods and services	84 618	-	(25 444)	59 174	55 760	3 414	94.2%	66 215	57 047
Financial transactions in assets and liabilities	-	-	-	-	309	(309)	0.0%	-	391
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	29 626	-	27 985	57 611	56 419	1 192	97.9%	56 031	44 284
Universities & technikons	1 100	-	-	1 100	1 098	2	99.8%	1 100	1 085
Non-profit institutions	4 324	-	2 571	6 895	6 832	63	99.1%	609	561
Households	530 479	-	4 933	535 412	521 252	14 160	97.4%	468 947	355 507
<b>Payment for capital assets</b>									
Machinery & equipment	5 349	(6)	-	5343	1 919	3 424	35.9%	5 692	3 110
Software & other tangible assets	-	6	-	6	6	-	100%	700	693
<b>Total</b>	<b>745 870</b>	<b>-</b>	<b>-</b>	<b>745 870</b>	<b>722 488</b>	<b>23 382</b>	<b>96.9%</b>	<b>669 426</b>	<b>527 219</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2007

DETAIL PER PROGRAMME 1 – Administration for the year ended 31 March 2007									
Programme per sub programme	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>1.1 Office of the MEC</b>									
Current payment	5 632	-	(661)	4 971	4 745	226	95.5%	5 498	4 511
Transfers and subsidies	42	-	-	42	2	40	4.8%	106	20
Payment for capital assets	197	-	(150)	47	13	34	27.7%	270	66
<b>1.2 Corporate Services</b>									
Current payment	38 553	-	(5080)	33 473	31 351	2 122	93.7%	33 712	31 404
Transfers and subsidies	6 737	-	2 066	8 803	8 371	432	95.1%	155	43
Payment for capital assets	1 812	-	150	1 962	737	1 225	37.6%	1 732	1 115
<b>Total</b>	<b>52 973</b>	<b>-</b>	<b>(3 675)</b>	<b>49 298</b>	<b>45 219</b>	<b>4 079</b>	<b>91.7%</b>	<b>41 473</b>	<b>37 159</b>

Economic Classification	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>									
Compensation of employees	21 312	-	(875)	20 437	19 996	441	97.8%	19 595	17 321
Goods and services	22 873	-	(4 866)	18 007	16 100	1 907	89.4%	19 615	18 594
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	14	-	-	14	16	(2)	114.3%	51	51
Non-profit institutions	3 500	-	2 796	6 296	6 289	7	99.9%	-	-
Households	3 265	-	(730)	2 535	2 068	467	81.6%	210	12
<b>Payment for capital assets</b>									
Machinery & equipment	2 009	(6)	-	2 003	744	1 259	37.1%	1 302	488
Software & other intangible assets		6	-	6	6	-	100%	700	693
<b>Total</b>	<b>52 973</b>	<b>-</b>	<b>(3 675)</b>	<b>49 298</b>	<b>45 219</b>	<b>4 079</b>	<b>91.7%</b>	<b>41 473</b>	<b>37 159</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2007

DETAIL PER PROGRAMME 2 – Housing for the year ended 31 March 2007									
Programme per sub programme	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>1.1 Housing Planning and Research</b>									
Current payment	11 173	-	(2 870)	8 303	8 221	82	99.0%	11 447	10 372
Transfers and subsidies	134	-	4 590	4 724	4 723	1	100%	145	20
Payment for capital assets	243	-	75	318	6	312	1.9%	366	240
<b>1.2 Housing Performance and Subsidy Programmes</b>									
Current payment	39 676	-	(11 126)	28 550	28 409	141	99.5%	21 483	16 861
Transfers and subsidies	537 222	-	11 009	548 231	534 527	13 704	97.5%	518 887	395 799
Payment for capital assets	1 280	-	(75)	1 205	394	811	32.7%	1 136	894
<b>1.3 Housing Asset Management</b>									
Current payment	5 407	-	(3 693)	1 714	1 532	182	89.4%	5 198	3 255
Transfers and subsidies	1 102	-	-	1 102	1 098	4	99.6%	1 116	1 092
Payment for capital assets	350	-	-	350	246	104	70.3%	569	25
<b>Total</b>	<b>596 587</b>	<b>-</b>	<b>(2 090)</b>	<b>594 497</b>	<b>579 156</b>	<b>15 341</b>	<b>97.4%</b>	<b>560 347</b>	<b>428 558</b>

Economic Classification	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current</b>									
Compensation of employees	22 027	-	(3 706)	18 321	18 227	94	99.5%	19 911	18 327
Goods and services	34 229	-	(13 983)	20 246	19 935	311	98.5%	18 217	12 161
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	10 144	-	9 936	20 080	20 066	14	99.9%	50 395	40 346
Universities & Technikons	1 100	-	-	1 100	1 098	2	99.8%	1 100	1 085
Households	527 214	-	5 663	532 877	519 184	13 693	97.4%	468 653	355 480
<b>Payment for capital assets</b>									
Machinery & equipment	1 873	-	-	1 873	646	1 227	34.5%	2 071	1 159
<b>Total</b>	<b>596 587</b>	<b>-</b>	<b>(2 090)</b>	<b>594 497</b>	<b>579 156</b>	<b>15 341</b>	<b>97.4%</b>	<b>560 347</b>	<b>428 558</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2007

DETAIL PER PROGRAMME 3 – Local Government for the year ended 31 March 2007									
Programme per sub programme	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>3.1 Municipal Administration</b>	29 283	-	(4 500)	24 783	23 859	924	96.3%	16 500	16 450
Current payment	7	-	-	7	5	2	71.4%	50	23
Transfers and subsidies	240	-	-	240	113	127	47.1%	62	-
Payment for capital assets									
<b>3.2 Municipal Finance</b>	8 556	-	(800)	7 756	7 642	114	98.5%	13 466	13 321
Current payment	3	-	18 200	18 203	18 201	2	100.0%	1 623	1 010
Transfers and subsidies	40	-	-	40	38	2	95.0%	55	-
Payment for capital assets									
<b>3.3 Disaster Management</b>	4 892	-	(530)	4 362	4 296	66	98.5%	4 180	3 980
Current payment	203	-	(150)	53	3	50	5.7%	42	10
Transfers and subsidies	100	-	-	100	48	52	48.0%	210	141
Payment for capital assets									
<b>3.4 Municipal Infrastructure</b>	6 433	-	(2 800)	3 633	3 148	485	86.7%	-	-
Current payment	15 683	-	-	15 683	15 527	156	99.0%	-	-
Transfers and subsidies									
<b>3.5 Spatial Planning</b>	11 728	-	(830)	10 898	10 752	146	98.7%	7 679	7 358
Current payment	3 763	-	(1 151)	2 612	2 593	19	99.3%	26	22
Transfers and subsidies	492	-	-	492	239	253	48.6%	253	153
Payment for capital assets									
<b>3.6 Land Use Management</b>	-	-	-	-	-	-	-	7 136	6 028
Current payment	-	-	-	-	-	-	-	25	12
Transfers and subsidies	-	-	-	-	-	-	-	190	59
Payment for capital assets									
<b>3.7 Integrated Development and Planning</b>	-	-	-	-	-	-	-	-	-
Current payment	-	-	-	-	-	-	-	3 656	2 588
Transfers and subsidies	-	-	-	-	-	-	-		
Payment for capital assets									
<b>3.8 Local Economic Development</b>	2 939	-	(1 469)	1 470	1 432	38	97.4%	65	51
Current payment	-	-	1 000	1 000	1	999	0.1%	200	200
Transfers and subsidies	100	-	-	100	31	69	31.0%		
Payment for capital assets									
<b>3.9 Traditional Resource Administration</b>	7 685	-	125	7 810	7 748	62	99.2%	7 892	6 931
Current payment	632	-	(75)	557	550	7	98.7%	644	597
Transfers and subsidies	445	-	-	445	46	399	10.3%	229	-
Payment for capital assets									
<b>3.10 Traditional Institutional Arrangements</b>									
Current payment	3 035	-	(1 255)	1 780	1 518	262	85.3%	2 091	1 066
Transfers and subsidies	1	-	-	1	-	1	0.0%	12	1
Payment for capital assets	50	-	-	50	14	36	28.0%	1 320	1 110
<b>Total</b>	<b>96 310</b>	<b>-</b>	<b>5 765</b>	<b>102 075</b>	<b>97 804</b>	<b>4 271</b>	<b>95.8%</b>	<b>67 606</b>	<b>61 111</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2007

Economic classification	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current</b>									
Compensation of employees	47 035	-	(5 464)	41 571	40 670	901	97.8%	30 626	28 893
Goods and services	27 516	-	(6 595)	20 921	19 725	1 196	94.3%	28 383	26 292
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	19 468	-	18 049	37 517	36 337	1 180	96.9%	5 585	3 887
Non-profit institutions	824	-	(225)	599	543	56	90.7%	609	561
Households	-	-	-	-	-	-	-	84	15
<b>Capital</b>									
Machinery & equipment	1 467	-	-	1 467	529	938	36.1%	2 319	1 463
<b>Total</b>	<b>96 310</b>	<b>-</b>	<b>5 765</b>	<b>102 075</b>	<b>97 804</b>	<b>4 271</b>	<b>95.8%</b>	<b>67 606</b>	<b>61 111</b>

DETAIL PER PROGRAMME 4 – Special function for the year ended 31 March 2007									
Programme per sub programme	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>4.1 Theft and losses</b>									
Current payment	-	-	-	-	309	(309)	0.00%	-	391
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>309</b>	<b>(309)</b>	<b>0.00%</b>	<b>-</b>	<b>391</b>

Economic Classification	2006/2007							2005/2006	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Payment as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current</b>									
Financial transactions in assets and liabilities	-	-	-	-	309	(309)	0.00%	-	391
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>309</b>	<b>(309)</b>	<b>0.00%</b>	<b>-</b>	<b>391</b>

NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2007

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (B;C;D;E;F) to the Annual Financial Statements.

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

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

3. **Detail on financial transactions in assets and liabilities**

Detail of these transactions per programme can be viewed in note 6 (Details of special functions (theft and losses)) to the Annual Financial Statements.

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

4.1 **Per programme**

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
<b>Administration</b>	49 298	45 219	4 079	8.3%
	The under spending is mainly because of all vacant posts. The carry through cost thereof is as a result of goods and services as well as capital expenditure not materialised due to the non-completion of office renovations.			
<b>Housing</b>	594 497	579 156	15 341	2.6%
	The under spending is mainly related to the funds budgeted for the rectification of incomplete houses, as well as a small amount related to the Integrated Housing and Human Redevelopment Settlement Grant. The non-purchasing of furniture and equipment due to the problem regarding office accommodation also contributing to the under spending.			
<b>Local Government</b>	102 075	97 804	4 271	4.2%
	The under spending is mainly related to a transfer payment not made due to the non-arrangement of a workshop and the non-purchasing of furniture and equipment due to the problem regarding office accommodation.			

4.2 **Per Economic classification:**

	2006/07 R'000	2005/06 R'000
<b>Current expenditure</b>		
Compensation of employees	1 436	5 591
Goods and services	3 414	9 168
Financial transactions in assets and liabilities	(309)	(391)
<b>Transfers and subsidies</b>		
Provinces and municipalities	1 192	11 747
Universities and technikons	2	15
Non-profit institutions	63	48
Households	14 160	113 440
<b>Payments for capital assets</b>		
Machinery and equipment	3 424	2 582
Software and other intangible assets	-	7

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

**STATEMENT OF FINANCIAL PERFORMANCE**  
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>REVENUE</b>			
Annual appropriation	1	745 870	669 426
Local and foreign aid assistance	3	1 828	8 565
<b>TOTAL REVENUE</b>		<u>747 698</u>	<u>677 991</u>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	78 893	64 541
Goods and services	5	55 760	57 047
Financial transactions in assets and liabilities	6	309	391
Local and foreign aid assistance	3	662	7 608
<b>Total current expenditure</b>		<u>135 624</u>	<u>129 587</u>
<b>Transfers and subsidies</b>	7	585 601	401 437
<b>Expenditure for capital assets</b>			
Machinery and Equipment	8	1 919	3 110
Software and other intangible assets	8	6	693
<b>Total expenditure for capital assets</b>		<u>1 925</u>	<u>3 803</u>
<b>TOTAL EXPENDITURE</b>		<u>723 150</u>	<u>534 827</u>
<b>SURPLUS</b>		24 548	143 164
<b>SURPLUS FOR THE YEAR</b>		<u>24 548</u>	<u>143 164</u>
<b>Reconciliation of Surplus for the year</b>			
Voted Funds	12	23 382	142 207
Local and foreign aid assistance	3	1 166	957
<b>SURPLUS FOR THE YEAR</b>		<u>24 548</u>	<u>143 164</u>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

VOTE 8

STATEMENT OF FINANCIAL POSITION

as at 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>ASSETS</b>			
<b>Current assets</b>			
		37 357	126 230
Departmental revenue to be surrendered to the Revenue Fund	13	1 472	1 435
Cash and cash equivalents	9	30 534	123 060
Prepayments and advances	10	142	147
Receivables	11	5 209	631
Local and foreign aid assistance receivable	3	-	957
<b>TOTAL ASSETS</b>		<b>37 357</b>	<b>126 230</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
		37 182	126 141
Voted funds to be surrendered to the Revenue Fund	12	23 382	116 392
Payables	14	12 634	8 792
Local and foreign aid assistance unutilised	3	1 166	957
<b>TOTAL LIABILITIES</b>		<b>37 182</b>	<b>126 141</b>
<b>NET ASSETS</b>		<b>175</b>	<b>89</b>
<b>Represented by:</b>			
Recoverable revenue		175	89
<b>TOTAL</b>		<b>175</b>	<b>89</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>Recoverable revenue</b>			
Opening balance		89	4
Transfers		86	85
Debts revised	11.3	86	85
Closing balance			89
<b>TOTAL</b>		<u>175</u>	<u>89</u>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

**CASH FLOW STATEMENT**  
for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		749 889	680 924
Annual appropriated funds received	1.1	745 870	669 426
Departmental revenue received	2	2 191	2 933
Local and foreign aid assistance received	3	1 828	8 565
Net (increase) in working capital		(731)	(48)
Surrendered to Revenue Fund		(118 620)	(12 416)
Current payments		(135 624)	(129 587)
Transfers and subsidies paid		(585 601)	(401 437)
<b>Net cash flow available from operating activities</b>	15	(90 687)	137 436
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets		(1 925)	(3 803)
<b>Net cash flows from investing activities</b>		(1 925)	(3 803)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in net assets		86	85
<b>Net cash flows from financing activities</b>		86	85
Net (decrease) in cash and cash equivalents		(92 526)	133 718
Cash and cash equivalents at beginning of year		123 060	(10 658)
<b>Cash and cash equivalents at end of year</b>	16	30 534	123 060

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

**1. Annual Appropriation**

1.1 Included are funds appropriated in terms of the Appropriation Act for Provincial Departments

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Total Appropriation 2005/06 R'000
Administration	49 298	49 298	-	41 473
Housing	594 497	594 497	-	560 347
Local Government	102 075	102 075	-	67 606
<b>Total</b>	<b>745 870</b>	<b>745 870</b>	<b>-</b>	<b>669 426</b>

**1.2 Conditional grants**

	Note	2006/07	2005/06
Total grants received	ANNEXURE 1A	528 629	507 880

	Note	2006/07 R'000	2005/06 R'000
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**2. Departmental revenue to be surrendered to revenue fund****Description**

Sales of goods and services other than capital assets	2.1	1 863	2 022
Interest, dividends and rent on land	2.2	79	23
Financial transactions in assets and liabilities	2.3	249	888
Total revenue collected		2 191	2 933
Less: Departmental Revenue Budgeted	13	2 191	2 933
<b>Departmental revenue collected</b>		<b>-</b>	<b>-</b>

Amounts restated

**2.1 Sales of goods and services other than capital assets**

Sales of goods and services produced by the department		1 863	2 022
Administrative fees		1 863	2 022
<b>Total</b>		<b>1 863</b>	<b>2 022</b>

**2.2 Interest, dividends and rent on land**

Interest		79	23
<b>Total</b>		<b>79</b>	<b>23</b>

**2.3 Financial transactions in assets and liabilities**

Other receipts including recoverable revenue		249	888
<b>Total</b>		<b>249</b>	<b>888</b>

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2007

	2006/07 R'000	2005/06 R'000
<b>3. Local and foreign aid assistance</b>		
<b>3.1 Assistance received in cash: Other</b>		
<b>Local</b>		
Opening Balance	298	-
Revenue	429	6 954
Expenditure	220	6 656
Current	220	6 656
Closing Balance	507	298
<b>Foreign</b>		
Opening Balance	659	-
Revenue	442	1 611
Expenditure	442	952
Current	442	952
Closing Balance	659	659
<b>Total</b>		
Opening Balance	957	-
Revenue	871	8 565
Expenditure	662	7 608
Current	662	7 608
Closing Balance	1 166	957
<b>Analysis of balance</b>		
Local and foreign aid receivable	-	957
Local and foreign aid unutilised	1 166	957
Closing balance	1 166	-
<b>4. Compensation of employees</b>		
<b>4.1 Salaries and wages</b>		
Basic salary	51 400	40 140
Performance award	993	1 283
Service Based	173	199
Compensative/circumstantial	691	869
Periodic payments	336	267
Other non-pensionable allowances	15 553	13 962
	<b>69 146</b>	<b>56 720</b>
<b>4.2 Social contributions</b>		
<b>4.2.1 Short term employee benefits</b>		
Pension	6 674	5 228
Medical	3 057	2 575
Bargaining council	14	10
Insurance	2	8
	9 747	7 821
<b>Total compensation of employees</b>	<b>78 893</b>	<b>64 541</b>
Average number of employees	577	314

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

5. Goods and services	Note	2006/07 R'000	2005/06 R'000
Advertising		3 114	2 205
Attendance fees (including registration fees)		1 432	1 073
Bank charges and card fees		47	67
Bursaries (employees)		193	2 335
Catering		3 399	-
Communication		3 290	3 812
Computer services		2 182	1 140
Consultants, contractors and special services		23 138	26 377
Courier and delivery services		48	17
Drivers licences and permits		7	1
Entertainment		61	2 897
External audit fees	5.1	3 608	4 058
Equipment less than R5 000		1 060	991
Inventory	5.2	2 051	2 224
Legal fees		150	312
Maintenance, repairs and running cost		302	880
Operating leases		961	1 006
Plant flowers and other decorations		125	87
Printing and publications		28	-
Resettlement costs		87	64
Subscriptions		8	4
Translations and transcriptions		2	-
Travel and subsistence	5.3	10 032	7 085
Venues and facilities		420	390
Protective, special clothing & uniforms		15	22
		<hr/> <b>55 760</b> <hr/>	<hr/> <b>57 047</b> <hr/>
<b>5.1 External audit fees</b>			
Regulatory audits		3 608	4 058
<b>Total external audit fees</b>		<hr/> <b>3 608</b> <hr/>	<hr/> <b>4 058</b> <hr/>
<b>5.2 Inventory</b>			
Domestic Consumables		2	-
Food and Food supplies		121	21
Stationery and Printing		1 928	2 203
<b>Total Inventory</b>		<hr/> <b>2 051</b> <hr/>	<hr/> <b>2 224</b> <hr/>
<b>5.3 Travel and subsistence</b>			
Local		8 565	6 892
Foreign		1 467	193
<b>Total travel and subsistence</b>		<hr/> <b>10 032</b> <hr/>	<hr/> <b>7 085</b> <hr/>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	Notes	2006/07 R'000	2005/06 R'000
<b>6. Financial transactions in assets and liabilities</b>			
Other material losses written off	6.1	162	217
Debts written off	6.2	147	174
		<u>309</u>	<u>391</u>
<b>6.1 Other material losses</b>			
<b>Nature of losses</b>			
Loss control cases written off		162	217
<b>Total</b>		<u>162</u>	<u>217</u>
<b>6.2 Debts written off</b>			
<b>Nature of debts written off</b>			
Personnel debt		19	44
Interdepartmental claims		-	130
Dishonoured cheques		128	-
<b>Total</b>		<u>147</u>	<u>174</u>
Amounts were written off in terms of the departmental approved debt policy.			
<b>7. Transfers and subsidies</b>			
Provinces and municipalities	ANNEXURE 1B & 1C	56 419	44 284
Universities and Technikons	ANNEXURE 1D	1 098	1 085
Non-profit institutions	ANNEXURE 1E	6 832	561
Households	ANNEXURE 1F	521 252	355 507
		<u>585 601</u>	<u>401 437</u>
<b>8. Expenditure for capital assets</b>			
Machinery and equipment	24	1 919	3 110
Software and other intangible assets	25	6	693
<b>Total</b>		<u>1 925</u>	<u>3 803</u>
<b>9. Cash and cash equivalents</b>			
Consolidated Paymaster General Account		30 526	123 052
Cash on hand		8	8
<b>Total</b>		<u>30 534</u>	<u>123 060</u>
<b>10. Prepayments and advances</b>			
Travel and subsistence		142	147
		<u>142</u>	<u>147</u>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

11. Receivables				2006/07 R'000	2005/06 R'000	
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Staff debtors	11.1	146	229	74	449	483
Other debtors	11.2	-	34	-	34	16
Intergovernmental receivables	Annex 3	4 629	97	-	4 726	132
		<b>4 775</b>	<b>360</b>	<b>74</b>	<b>5 209</b>	<b>631</b>

	Note	2006/07 R'000	2005/06 R'000
<b>11.1 Staff Debt</b>			
PERSAL		449	483
<b>Total</b>		<b>449</b>	<b>483</b>
<b>11.2 Other debtors</b>			
Dishonoured Cheques		23	16
Supplier		11	
<b>Total</b>		<b>34</b>	<b>16</b>
<b>11.3 Debts revised</b>			
Recoverable revenue		86	85
<b>Total</b>		<b>86</b>	<b>85</b>

**12. Voted funds to be surrendered to the Revenue Fund**

Opening balance	116 392	(17 767)
Transfer from Statement of Financial Performance	23 382	142 207
Paid during the year	(116 392)	(8 048)
Closing balance	<b>23 382</b>	<b>116 392</b>

**13. Departmental revenue to be surrendered to revenue fund**

Opening Balance	(1 435)	-
Departmental revenue budgeted	2 191	2 933
Paid during the year	2 (2 228)	(4 368)
Closing balance	<b>(1 472)</b>	<b>(1 435)</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

14. Payables - current Description

		30 Days	30+ Days	2006/07 Total	2005/06 Total
Amounts owing to other entities	ANNEXURE 4	30	-	30	
Advances received	14.1	-	561	561	102
Other payables	14.2	-	12 073	12 073	8 690
<b>Total</b>		<b>30</b>	<b>12 634</b>	<b>12 664</b>	<b>8 792</b>

	Note	2006/07 R'000	2005/06 R'000
<b>14.1 Advances received</b>			
Advances from Departments		561	102
<b>Total</b>		<b>561</b>	<b>102</b>
<b>14.2 Other payables</b>			
Advances Free State		11 118	8 381
Salary income tax		25	2
Salary pension		1	-
Tribal Council		301	-
Housing Fund		628	306
Appeals board		-	1
<b>Total</b>		<b>12 073</b>	<b>8 690</b>

15. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	24 548	143 164
Add back non cash/cash movements not deemed operating activities	(115 235)	(5 728)
(Increase)/decrease in receivables – current	(4 578)	629
(Increase)/decrease in prepayments and advances	5	1
(Increase)/decrease in other current assets	957	(957)
(Increase)/decrease in payables – current	3 842	279
Surrenders to revenue fund	(118 620)	(12 416)
Expenditure on capital assets	1 925	3 803
Other non cash items	1 234	2 933
<b>Net cash flow generated by operating activities</b>	<b>(90 687)</b>	<b>137 436</b>

Amounts Restated

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

Consolidated Paymaster General account	30 526	123 052
Cash on hand	8	8
<b>Total</b>	<b>30 534</b>	<b>123 060</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

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

	Note	2006/07 R'000	2005/06 R'000	
<b>17. Contingent liabilities</b>				
<b>Liable to</b>	<b>Nature</b>			
Motor vehicle guarantees	Employees	ANNEXURE 2A 180	304	
Housing loan guarantees	Employees	ANNEXURE 2A 391	635	
Other Departments		ANNEXURE 2B 232	-	
<b>Total</b>		<b>803</b>	<b>939</b>	
<b>18. Commitments</b>				
<b>Current expenditure</b>				
Approved and contracted		8 300	3 756	
Approved but not yet contracted		6 150	14 729	
		<b>14 450</b>	<b>18 485</b>	
<b>Capital expenditure</b>				
Approved and contracted		401 196	370 651	
Approved but not yet contracted		-	-	
		<b>401 196</b>	<b>370 651</b>	
<b>Total Commitments</b>		<b>415 646</b>	<b>389 136</b>	
Housing commitments are made over the MTEF period of three years				
<b>19. Accruals</b>				
<b>By economic classification</b>	<b>30 Days R'000</b>	<b>30+ Days R'000</b>	<b>Total R'000</b>	<b>Total R'000</b>
Goods and services	59	46	105	364
Machinery and equipment	-	-	-	48
<b>Total</b>	<b>59</b>	<b>46</b>	<b>105</b>	<b>412</b>
<b>Listed by programme level</b>				
Administration			31	159
Housing			26	85
Local Government			48	168
<b>Total</b>			<b>105</b>	<b>412</b>
<b>20. Employee benefit provisions</b>				
Leave entitlement			2 215	1 673
Thirteenth cheque			2 313	1 627
Performance awards			-	1 213
Capped leave commitments			4 458	4 499
<b>Total</b>			<b>8 986</b>	<b>9 012</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
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21. Lease Commitments	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>21.1 Operating leases</b>			
<b>2006/2007</b>			
Not later than 1 year	170	707	877
Later than 1 year and not later than 5 years	148	822	970
<b>Total present value of lease liabilities</b>	<b>318</b>	<b>1 529</b>	<b>1 847</b>
<b>2005/2006</b>			
Not later than 1 year	-	127	127
Later than 1 year and not later than 5 years	-	98	98
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>225</b>	<b>225</b>
<b>21.2 Finance leases</b>			
<b>2006/2007</b>			
Not later than 1 year		901	901
Later than 1 year and not later than 5 years		324	324
<b>Total present value of lease liabilities</b>		<b>1 225</b>	<b>1 225</b>
<b>Analysis</b>			
Condoned		1 225	1 225
<b>Total</b>		<b>1 225</b>	<b>1 225</b>
<b>2005/2006</b>			
Not later than 1 year		638	638
Later than 1 year and not later than 5 years		90	90
<b>Total present value of lease liabilities</b>		<b>728</b>	<b>728</b>
<b>Analysis</b>			
Condoned		728	728
<b>Total</b>		<b>728</b>	<b>728</b>
<b>22. Key management personnel</b>			
		<b>2006/07</b>	<b>2005/06</b>
		<b>R'000</b>	<b>R'000</b>
Political Office Bearers (provide detail below)	1	858	789
Officials			
Level 15 to 16	3	1 904	1 147
Level 14	8	3 907	3 239
<b>Total</b>		<b>6 669</b>	<b>5 175</b>
<b>23. Provisions</b>			
<b>Potential irrecoverable debts</b>			
Staff debtors		74	306
Other Debtors		34	-
Claims recoverable		48	87
<b>Total</b>		<b>156</b>	<b>393</b>

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24. Tangible Capital Assets

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED

	Opening Balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>10 990</b>	<b>-</b>	<b>1 919</b>	<b>-</b>	<b>12 909</b>
Transport assets	1 052	-	-	-	1 052
Computer equipment	6 002	-	1 403	-	7 405
Furniture and office equipment	3 678	-	495	-	4 173
Other machinery and equipment	258	-	21	-	279
<b>TOTAL TANGIBLE ASSETS</b>	<b>10 990</b>	<b>-</b>	<b>1 919</b>	<b>-</b>	<b>12 909</b>

24.1 ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash	Non-cash	(Capital Work in Progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	Cost R'000	Fair Value R'000	Cost R'000	Cost R'000	Cost R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 919</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 919</b>
Computer equipment	1 403	-	-	-	1 403
Furniture and office equipment	495	-	-	-	495
Other machinery and equipment	21	-	-	-	21
<b>Total</b>	<b>1 919</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 919</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
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24.2 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>10 894</b>	<b>3 110</b>	<b>3 014</b>	<b>10 990</b>
Transport assets	3 066	1 000	3 014	1 052
Computer equipment	4 433	1 569	-	6 002
Furniture and office equipment	3 196	482	-	3 678
Other machinery and equipment	199	59	-	258
<b>Total Tangible Assets</b>	<b>10 894</b>	<b>3 110</b>	<b>3 014</b>	<b>10 990</b>

25. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Opening Balance Cost R'000	Current Year Adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing Balance Cost R'000
<b>COMPUTER SOFTWARE</b>	693	-	6	-	699
<b>Total Intangible Assets</b>	<b>693</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>699</b>

25.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007

	Cash Cost R'000	Non-Cash Fair Value R'000	(Develop- ment work in progress - current costs) Cost R'000	Received current year, not paid (Paid current year, received prior year) Cost R'000	Total Cost R'000
<b>COMPUTER SOFTWARE</b>	6	-	-	-	6
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>

25.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2006

	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>COMPUTER SOFTWARE</b>	-	693	-	693
<b>Total</b>	<b>-</b>	<b>693</b>	<b>-</b>	<b>693</b>

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2005/06	
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	% of Available funds spent by department %	Division of Revenue Act R'000	Amount spent by departments R'000	
<b>Division of Revenue Act</b>											
Department of Housing: Housing Fund	522 601	-	-	(3 428)	519 173	519 173	518 962	100.0%	471 461	355 475	
Department of Housing: Human Settlement Redevelopment	-	6 028	-	3 428	9 456	9 456	9 438	99.8%	20 663	14 655	
<b>Provincial Grants</b>											
Department of Provincial and Local Government: Provincial Project Management for MIG	-	-	-	-	-	-	-	-	1 923	1 923	
Department of Provincial and Local Government: CMIP Capacity Building	-	-	-	-	-	-	-	-	3 004	2 812	
Department of Provincial and Local Government: Local Government Capacity	-	-	-	-	-	-	-	-	10 809	10 878	
	<b>522 601</b>	<b>6 028</b>	<b>-</b>	<b>-</b>	<b>528 629</b>	<b>528 629</b>	<b>528 400</b>		<b>507 880</b>	<b>385 743</b>	

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ANNEXURE 1B  
STATEMENT OF CONDITIONAL GRANTS PAID TO DEPARTMENTS

NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFERS			SPENT			2005/06
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	Division of Revenue Act R'000	
Department of Public Roads, Works and Transport	-	-	-	-	-	-	-	-	-	-	500
Department of Education	-	-	-	-	-	-	-	-	-	-	923
	-	-	-	-	-	-	-	-	-	-	1 423

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ANNEXURE 1C  
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2005/06
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000	
<b>1. Human Settlements Grant</b>											
Mangaung	-	-	-	-	-	-	-	-	-	-	20 477
Dihlabeng	-	-	-	-	-	-	-	-	-	-	206
<b>2. Financial assistance and projects with a positive impact on cash flow of municipalities</b>											
Xhariep	-	-	5 000	5 000	5 000	100.0%	5 000	5 000	100.0%	1 000	
Kopanong	-	-	8 000	8 000	8 000	100.0%	8 000	8 000	100.0%	-	
Mohokare	-	-	-	-	-	-	-	-	-	610	
Naledi	-	-	3 200	3 200	3 200	100.0%	3 200	3 200	100.0%	-	
Nketoana	-	-	2 000	2 000	2 000	100.0%	2 000	2 000	100.0%	-	
<b>3. MIG Capacity Building Grant</b>											
Xhariep	-	-	-	-	-	-	-	-	-	-	472
Mohokare	-	-	-	-	-	-	-	-	-	-	734
Motheo	-	-	-	-	-	-	-	-	-	-	188
Lejweleputswa	-	-	-	-	-	-	-	-	-	-	251
Masilonyana	-	-	-	-	-	-	-	-	-	-	64
Tokologo	-	-	-	-	-	-	-	-	-	-	286
Matjhabeng	-	-	-	-	-	-	-	-	-	-	119
Thabo Mofutsanyana	-	-	-	-	-	-	-	-	-	-	363

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Phumelela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111
Moghaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64
Ngwathe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71
Metsimaholo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70
Mafube	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63
<b>4. Provincial Infrastructure Grant</b>																		18 067
Letsemeng	243	150	-	393	393	393	393	393	100.0%	393	393	393	393	100.0%	393	393	100.0%	-
Kopanong	9 060	-	-	9 060	9 060	9 060	9 060	9 060	100.0%	9 060	9 060	9 060	9 060	100.0%	9 060	9 060	100.0%	-
Mohokare	2 220	-	-	2 220	2 220	2 220	2 220	2 220	100.0%	2 220	2 220	2 220	2 220	100.0%	2 220	2 220	100.0%	-
Mangaung	-	-	4 500	4 500	4 500	4 500	4 500	4 500	100.0%	4 500	4 500	4 500	4 500	100.0%	4 500	4 500	100.0%	-
Masilonyana	120	-	-	120	120	120	120	120	100.0%	120	120	120	120	100.0%	120	120	100.0%	-
Tokologo	2 655	-	-	2 655	2 655	2 655	2 655	2 655	100.0%	2 655	2 655	2 655	2 655	100.0%	2 655	2 655	100.0%	-
Phumelela	198	-	-	198	198	198	198	198	100.0%	198	198	198	198	100.0%	198	198	100.0%	-
Other	3 000	1 031	(3 000)	1 031	873	873	873	84.7%	84.7%	873	873	873	873	84.7%	873	873	84.7%	-
<b>5. Planning and Surveying</b>																		
Letsemeng	-	-	200	200	200	200	200	200	100.0%	200	200	200	200	100.0%	200	200	100.0%	350
Kopanong	284	-	-	284	284	284	284	284	100.0%	284	284	284	284	100.0%	284	284	100.0%	238
Mohokare	200	90	100	390	390	390	390	390	100.0%	390	390	390	390	100.0%	390	390	100.0%	300
Naledi	200	-	-	200	200	200	200	200	100.0%	200	200	200	200	100.0%	200	200	100.0%	60
Mangaung	900	888	(1 788)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 710
Mantsopa	300	-	-	300	300	300	300	300	100.0%	300	300	300	300	100.0%	300	300	100.0%	300
Masilonyana	200	-	-	200	200	200	200	200	100.0%	200	200	200	200	100.0%	200	200	100.0%	200
Tokologo	232	90	(50)	272	271	271	271	271	99.6%	271	271	271	271	99.6%	271	271	99.6%	457
Tswelopele	300	-	(100)	200	200	200	200	200	100.0%	200	200	200	200	100.0%	200	200	100.0%	221
Matjhabeng	780	-	2	782	780	780	780	780	99.7%	780	780	780	780	99.7%	780	780	99.7%	480
Nala	-	-	175	175	175	175	175	175	100.0%	175	175	175	175	100.0%	175	175	100.0%	-
Setsoto	-	1	200	201	200	200	200	200	99.5%	200	200	200	200	99.5%	200	200	99.5%	281

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Dihlabeng	400	569	(200)	769	769	100.0%	769	769	100.0%	669
Nketoana	500	400	(100)	800	800	100.0%	800	800	100.0%	400
Maluti-a-Phofung	1 500	250	(1 500)	250	250	100.0%	250	250	100.0%	500
Phumelela	350	85	(85)	350	350	100.0%	350	350	100.0%	435
Moghaka	350	-	646	996	996	100.0%	996	996	100.0%	1 100
Ngwathe	235	310	20	565	565	100.0%	565	565	100.0%	310
Mafube	-	698	-	698	698	100.0%	698	698	100.0%	698
<b>6. Town planning schemes and spatial planning frameworks</b>										
Xhariep	64	60	(104)	20	-	-	-	-	-	-
Letsemeng	64	60	(44)	80	80	100.0%	80	80	100.0%	60
Kopanong	254	60	(234)	80	80	100.0%	80	80	100.0%	60
Mohokare	64	-	16	80	80	100.0%	80	80	100.0%	370
Motheo	65	60	(125)	-	-	-	-	-	-	-
Naledi	64	-	16	80	80	100.0%	80	80	100.0%	370
Mangaung	944	-	(64)	880	880	100.0%	880	880	100.0%	120
Mantsopa	64	-	16	80	80	100.0%	80	80	100.0%	120
Lejweleputswa	64	60	(124)	-	-	-	-	-	-	-
Masilonyana	64	60	(44)	80	80	100.0%	80	80	100.0%	60
Tokologo	64	60	(44)	80	80	100.0%	80	80	100.0%	310
Tswelopele	64	60	(124)	-	-	-	-	-	-	60
Matjhabeng	64	-	(64)	-	-	-	-	-	-	178
Nala	279	60	(124)	215	215	100.0%	215	215	100.0%	60
Thabo Mofutsanyana	64	60	(124)	-	-	-	-	-	-	-
Setsoto	64	-	16	80	80	100.0%	80	80	100.0%	120
Dihlabeng	64	-	16	80	80	100.0%	80	80	100.0%	120
Nketoana	64	-	16	80	80	100.0%	80	80	100.0%	120

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Maluti-a-Phofung	64	-	16	80	80	100.0%	80	80	100.0%	120
Phumelela	64	-	16	80	80	100.0%	80	80	100.0%	370
Fezile Dabi	64	-	(64)	-	-	-	-	-	-	60
Moghaka	64	-	16	80	80	100.0%	80	80	100.0%	120
Ngwathe	64	-	16	80	80	100.0%	80	80	100.0%	120
Metsimaholo	64	60	(44)	80	80	100.0%	80	80	100.0%	560
Mafube	279	-	16	295	295	100.0%	295	295	100.0%	120
<b>7. Local Economic Development</b>										
Xhariep	-	-	-	-	-	-	-	-	0.0%	40
Motheo	-	-	-	-	-	-	-	-	0.0%	40
Lejweleputswa	-	-	-	-	-	-	-	-	0.0%	40
Thabo Mofutsanyana	-	-	-	-	-	-	-	-	0.0%	40
Fezile Dabi	-	-	-	-	-	-	-	-	0.0%	40
<b>8. RSCL Levy</b>										
Motheo	235	-	(186)	49	48	98.0%	48	48	98.0%	189
Lejweleputswa	3	-	(2)	1	-	-	-	-	-	1
Thabo Mofutsanyana	3	-	3	6	5	83.3%	5	5	83.3%	11
Fezile Dabi	7	-	(5)	2	1	50.0%	1	1	50.0%	9
<b>9. Bucket Eradication</b>										
Letsemeng	-	-	4 095	4 095	4 095	100.0%	4 095	4 095	100.0%	-
Tokologo	-	-	2 373	2 373	2 373	100.0%	2 373	2 373	100.0%	-
Mafube	-	-	1 460	1 460	1 460	100.0%	1 460	1 460	100.0%	-
	27 576	5 222	23 807	56 605	56 419		56 419	56 419		55 933

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ANNEXURE 1D  
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION					TRANSFER			2005/06
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Amount not Transferred R'000	% of Available Funds Transferred %	Final Appropriation Act R'000	
University of Witwatersrand	-	-	-	-	-	-	-	1 100	
University of the Free State	1 100	-	-	1 100	1 098	2	99.8%	-	
	1 100	-	-	1 100	1 098	2		1 100	

ANNEXURE 1E  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000	
<b>Transfers</b>								
House of Traditional Leaders	624	-	(75)	549	543	98.9%	609	
Disaster Management Centres	200	-	(150)	50	-	-	-	
Free State Sport Academy	3 500	-	(404)	3 096	3 089	99.9%	-	
SALGA	-	-	3 200	3 200	3 200	100%	-	
<b>TOTAL</b>	4 324	-	2 571	6 895	6 832		609	

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ANNEXURE 1F  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLD	TRANSFER ALLOCATION				EXPENDITURE			2005/06
	Adjusted Appropriation Act R'000	Roll Over R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Transferred %	Final Appropriation Act R'000	
Project Linked Support Housing	305 611		161 159	466 770	466 751	100.0%	346 188	
Individual Support Housing	14 339		(12 000)	2 339	2 263	96.8%	3 000	
Rural Support-Inf Land Housing	4 140		(4 140)	-	-	-	3 905	
Discount Benefit Scheme Housing	1 500		(1 400)	100	28	28.0%	1 810	
Peoples Housing Process	159 564		(109 600)	49 964	49 919	99.9%	86 219	
Institutional Support	12 000		(12 000)	-	-	0.0%	11 717	
Disaster Management emergency	12 419		(12 419)	-	-	-	11 716	
Hostel upgrading	4 000		(4 000)	-	-	0.0%	3 906	
Employer Social Benefit	473	-	-	473	262	55.4%	486	
Employer Social Ass-Cash	15	-	-	15	-	0.0%	-	
Bursaries	3 000	-	(730)	2 270	2 029	89.4%	-	
Incomplete Houses	-	13 481	-	13 481	-	0.0%	-	
<b>Total</b>	<b>517 061</b>	<b>13 481</b>	<b>4 870</b>	<b>535 412</b>	<b>521 252</b>	<b>-</b>	<b>468 947</b>	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1G  
STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
<b>Received in cash</b>					
Flemish Government	To provide training in the field of local governance, and establish a one-stop centre for assistance and support to municipalities	659	442	442	659
Development Bank	To perform a capacity-building impact assessment, performance review and municipal profiling	298	429	220	507
<b>Total</b>		<b>957</b>	<b>871</b>	<b>662</b>	<b>1 166</b>

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for the year ended 31 March 2007

ANNEXURE 2 A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original		Guarantee Drawdown during the year R'000	Guarantee re-payments/ cancelled/ reduced/ released during the year R'000	Currency Revaluations R'000	Closing Balance 31/03/2007 R'000	Guaranteed interest outstanding 31/03/2007 R'000	Realised losses not recoverable, i.e. claims paid out R'000
		Guaranteed capital amount R'000	Opening Balance 01/04/2006 R'000						
Standard Bank	Motor Vehicles	-	304	-	124	-	180	-	-
		-	304	-	124	-	180	-	-
Standard Bank Firststrand FNB ABSA BoE Bank Saambou Bank (FNB) Permanent Bank (Old Mutual/Nedbank/Perm) Free State Development Corp	Housing		138	26	-	-	164	-	-
			174	-	97	-	77	-	-
			94	-	38	-	56	-	-
			16	-	16	-	-	-	-
			73	-	59	-	14	-	-
			60	-	60	-	-	-	-
		80	-	-	-	-	80	-	-
		-	635	26	394	-	391	-	-
	<b>Total</b>	-	939	26	394	-	571	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

ANNEXURE 2B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance 01/04/2006 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable(Provide details hereunder) R'000	Closing Balance 31/03/2007 R'000
<b>Claims against the department</b> South African Revenue Services	-	232	-	-	232
<b>Total</b>	-	<b>232</b>	-	-	<b>232</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

ANNEXURE 3  
INTER-GOVERNMENTAL RECEIVABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Free State Public Works, Roads and Transport	-	48	48	-	48	48
Eastern Cape Provincial Government	-	-	-	2	-	2
Free State Provincial Legislature	-	-	-	33	-	33
Free State Agriculture	-	-	89	-	89	-
SASSA	23	-	-	-	23	-
Kwazulu-Natal Local Government and Housing	-	-	1 912	-	1 912	-
Mpumalanga Local Government and Housing	-	-	2 512	-	2 512	-
Department of Provincial and Local Government	-	-	18	-	18	-
Department of Housing	-	-	35	-	35	-
	23	48	4 614	35	4 637	83
<b>Other Government Entities</b>						
South African Revenue Services	-	-	85	48	85	48
Old Mutual Bank	-	-	-	1	-	1
Mangaung Local Municipality	-	-	4	-	4	-
	-	-	89	49	89	49
<b>TOTAL</b>	23	48	4 703	84	4 726	132

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2007

ANNEXURE 4  
INTER-GOVERNMENTAL PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Government Entity						
<b>Department</b>						
Department of the Premier	30	-	-	-	30	-
<b>TOTAL</b>	30	-	-	-	30	-

## TRUST FUNDS – SMALL HOLDINGS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

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Head of department

Free State: Department of Local Government and Housing

Date: 31 August 2006

**REPORT OF THE AUDITOR-GENERAL TO FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE SMALL HOLDINGS TRUST FUND FOR THE YEAR ENDED 31 MARCH 2007**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Small Holdings Trust Fund which comprise the balance sheet as at 31 March 2007, income statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 120 to 123.

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting as described in note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis of accounting**

8. The Small Holdings Trust Fund's policy is to prepare financial statements on the entity specific basis of accounting described in note 1 to the financial statements.

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
TRUST FUNDS - REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

**Opinion**

9. In my opinion, the financial statements have been prepared, in all material respects, in accordance with the basis of accounting set out in note 1 to the financial statements.

**OTHER MATTERS**

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

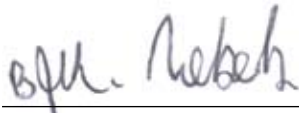
10. Internal control

- Control environment

Appropriated policies and procedures regarding the utilisation of monies did not exist as a trust deed. The matter was also reported in paragraph 5 of the previous report.

**APPRECIATION**

11. The assistance rendered by the staff of the Small Holding Trust Fund during the audit is sincerely appreciated.



AG Theron for Auditor-General

Bloemfontein

31 July 2007



AUDITOR-GENERAL

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

TRUST FUNDS - SMALL HOLDINGS  
for the year ended 31 March 2007

BALANCE SHEET AT 31 MARCH 2007

	Notes	1 April 2006 to 31 March 2007 R'000	1 April 2005 to 31 March 2006 R'000
<b>ASSETS</b>			
<b>Investments</b>			
Corporation for Public Deposits	2	8 008	7 404
<b>Total assets</b>		<b>8 008</b>	<b>7 404</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Trust Funds	2	8 008	7 404
<b>Total equity and liabilities</b>		<b>8 008</b>	<b>7 404</b>

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	1 April 2006 to 31 March 2007 R'000	1 April 2005 to 31 March 2006 R'000
Interest received	2	604	484
<b>Net profit/(loss) for the period</b>		<b>604</b>	<b>484</b>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2007

		Retained Earn- ings R'000	Total R'000
Balance at 31 March 2006		7 404	6 920
Net Profit for the period	2	604	484
<b>Balance at 31 March 2007</b>		<b>8 008</b>	<b>7 404</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

TRUST FUNDS - SMALL HOLDINGS  
for the year ended 31 March 2007

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007

	Note	1 April 2006 to 31 March 2007 R'000	1 April 2005 to 31 March 2006 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Interest received		604	484
<b>Net cash inflow/(outflows) from operating activities</b>		604	484
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments capitalised		(604)	(484)
<b>Net cash outflow from investing activities</b>		(604)	(484)
Net increase in cash and cash equivalents		-	-
<b>Cash and cash equivalents at beginning of period</b>		-	-
<b>Cash and cash equivalents at end of period</b>		-	-

**TRUST FUNDS - SMALL HOLDINGS**  
for the year ended 31 March 2007

**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 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:

Summary of Trust Funds for the period April 2006 till March 2007				
Hoewe	Name	Opening Balance	Interest	Closing balance
1	Adaminasiefontein 1029	4 945,97	403,48	5 349,45
2	Beslis Ond 12528 Bloemfontein	2 736,87	223,27	2 960,13
3	Blaubank 303 Kroonstad	880,95	71,87	952,81
4	Buitenzorg Kroonstad	37 724,23	3 077,45	40 801,67
5	Caledonspoort 190 Fouriesburg	3 299,48	269,16	3 568,64
6	Constantia Bultfontein	53 913,10	4 398,09	58 311,19
7	Cornelia	5 996,50	489,18	6 485,68
8	Cyfervlei No 6 Viljoenskroon	6 808,29	555,40	7 363,70
9	Halkyn 660 Thaba Nchu	1 781,66	145,34	1 927,00
10	Kleinfontein Winburg	97 706,31	7 970,63	105 676,94
11	La Porte Vase Kroonstad	181 853,31	14 835,13	196 688,43
12	Laumervillera Betlehem	2 070,94	168,94	2 239,88
13	Loutersbronnen Winburg	6 175,86	503,81	6 679,67
14	Merriesfontein Boshof	1 652,12	134,78	1 786,90
15	Middelpunt Glen	843,73	68,83	912,56
16	Mimosa 132 Senekal	81 214,41	6 625,26	87 839,68
17	Morgenster 132 Senekal	1 652,07	134,77	1 786,84
18	Nolens Volens Theunissen	16 756,96	1 366,99	18 123,95
19	Paradys Bloemfontein	26 299,96	2 145,48	28 445,44
20	Pistoriusrust Parys	67 487,30	5 505,44	72 992,74
21	Ramlaric	3 718,65	303,36	4 022,01
22	Ramlaric Ond 4	4 946,93	403,56	5 350,49
23	Renovaal	450 015,32	36 711,09	486 726,

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

TRUST FUNDS - SMALL HOLDINGS  
for the year ended 31 March 2007

24	Ribblesdale Bloemfontein	4 946,78	403,55	5 350,32
25	Rietpan Ond Bloemfontein	2 070,24	168,89	2 239,13
26	Scheerpan Oost Boshof	401,79	32,78	434,56
27	Triangle 471 Vrede	1 861,45	151,85	2 013,31
28	Turin Kroonstad	8 275,26	675,07	8 950,33
29	Vaalrivier	1 811 279,18	147 759,51	1 959 038,69
30	Vaalpark	1 890 818,95	154 248,16	2 045 067,11
31	Vaalpower Heilbron	1 164 173,76	94 970,31	1 259 144,07
32	Veekraal	1 456 858,67	118 846,79	1 575 705,46
33	Yarroweah	2 455,77	200,34	2 656,11
	<b>Total</b>	<b>7 403 622,78</b>	<b>603 968,54</b>	<b>8 007 591,32</b>

## FREE STATE HOUSING FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

### GENERAL INFORMATION

Accounting Officer: Mr K.F. Ralikontsane  
Registered Address: Lebohang Building, St Andrew Str, Bloemfontein  
Bankers: ABSA  
Auditors: Auditor-General  
Nature of Business: Provision of low cost housing in terms of the Free State Housing Act of 1999.

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DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
FREE STATE HOUSING FUND  
for the year ended 31 March 2007

**FREE STATE HOUSING FUND**

**REPORT OF THE ACCOUNTING OFFICER FOR THE YEAR ENDED 31 MARCH 2007**

The state of the Fund's affairs and its performance and cash flow for the year under review is properly disclosed in the enclosed financial statements.

The only point that should be highlighted is the fact that a decision to wind-up the Fund has been taken at a national level. To complete the process the fund's properties have to be transferred to the current occupants and this will take approximately two years to complete. In completion any remaining cash will be transferred to the Free State Department of Local Government and Housing.



---

**Head of the Department**  
**Department of Local Government and Housing**  
**Date: 31 May 2007**

**REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS OF THE FREE STATE HOUSING FUND FOR THE YEAR ENDED 31 MARCH 2007**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Free State Housing Fund which comprise the balance sheet as at 31 March 2007, income statement, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 128 to 134.

**Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Generally Accepted Accounting Practice (GAAP) and in the manner required by Auditor-General Audit Circular 1 of 2005. This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

**Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 648 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Basis of accounting**

8. The Free State Housing Fund's policy is to prepare financial statements on the entity specific basis of accounting, as set out in note 1.1 to the financial statements.

**Basis for qualified opinion**

9. Accumulated surplus

Supporting documentation for "Capital adjustments properties sold" as disclosed in note 8 of the financial statements amounting to R66 000 for the 2005/06 financial year could not be submitted. This was also reported on in paragraph 3.1(c) of the previous audit report.

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
FREE STATE HOUSING FUND - REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2007

**10. Receivables**

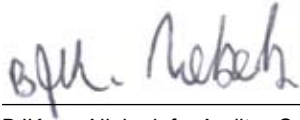
Supporting documentation for the selling of properties with outstanding balances of R124 212 (net) could not be submitted for audit purposes.

**Qualified opinion**

11. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements have been prepared, in all material respects, in accordance with the basis of accounting set out in note 1.1 to the financial statements and in the manner required by Auditor-General Audit circular 1 of 2005.

**APPRECIATION**

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



BJK van Niekerk for Auditor-General

Bloemfontein

31 August 2007



DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

FREE STATE HOUSING FUND  
for the year ended 31 March 2007

**BALANCE SHEET AT 31 MARCH 2007**

	Notes	2006/07 R'000	2005/06 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
		8 276	8 276
Non-Current Assets	2	-	-
Non-Current Assets held for sale	3	8 276	8 276
<b>Current assets</b>			
		10 525	10 000
Trade and other receivables	4	892	5 925
Cash and cash equivalents	5	9 633	4 075
<b>Total assets</b>		<b>18 801</b>	<b>18 276</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Retained earnings		9 158	14 127
<b>Current liabilities</b>			
Trade and other payables	6	9 643	4 149
<b>Total equity and liabilities</b>		<b>18 801</b>	<b>18 276</b>

**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2007 - (DISCONTINUED OPERATION)**

	Notes	2006/07 R'000	2005/06 R'000
Income		298	355
Administrative expenses		-	(6)
Other operating expenses		(2)	(2)
<b>Net profit for the year</b>	<b>10</b>	<b>296</b>	<b>347</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

FREE STATE HOUSING FUND  
for the year ended 31 March 2007

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2007- (DISCONTINUED OPERATION)

	Notes	Retained Earnings R'000	Total R'000
<b>Balance at 31 March 2005</b>		<b>11 552</b>	<b>11 552</b>
Capital adjustment		(66)	(66)
Errors	7	2 294	2 294
Restated balances		13 780	13 780
Net profit for the year		347	347
<b>Balance at 31 March 2006</b>		<b>14 127</b>	<b>14 127</b>
Amount to be transferred to Free State Local Government & Housing on final winding-up of the Fund		(5 265)	(5 265)
Net profit for the year		296	296
<b>Balance at 31 March 2007</b>		<b>9 158</b>	<b>9 158</b>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007 - (DISCONTINUED OPERATIONS)

	Note	2006/07 R'000	2005/06 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash paid to suppliers and employees		5 265	(132)
Cash generated from/(utilised in) operations	8	5 265	(132)
Interest paid		-	(4)
Interest received		293	371
<b>Net cash flow from /(used in) operating activities</b>		<b>5 558</b>	<b>235</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>5 558</b>	<b>235</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>4 075</b>	<b>3 840</b>
<b>Cash and cash equivalents at end of period</b>		<b>9 633</b>	<b>4 075</b>

**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2007**

**1. ACCOUNTING POLICY NOTES**

The following are the principal accounting policies of the Fund, which are consistent in all material respects with those applied in the previous year, except as otherwise indicated.

**1.1 BASIS OF PREPARATION**

The financial statements have been prepared on the historical cost basis in accordance with the policies below. Section 40(1)(b) of the Public Finance Management Act, 1999 read in conjunction with Section 10 of the Free State Housing Act, 1999 was used as a basis to determine the appropriate accounting practice.

South African Statements of Generally Accepted Accounting Practice have been implemented in preparing these financial statements.

**1.2 NON-CURRENT ASSETS**

Non-current assets are stated at historical cost, which closely represents fair value.

**1.3 NON-CURRENT ASSETS HELD FOR SALE**

Non-Current Assets held for sale is stated at the lower of historical cost or fair value.

**1.4 TRADE RECEIVABLES**

Trade receivables are carried at the anticipated realisable value in respect of rental debtors, outstanding loans to individuals and outstanding balances in respect of instalment sale debtors.

**1.5 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash at bank.

**1.6 TRADE AND OTHER PAYABLES**

Trade and Other Payables are recognised at the original invoice value or at the amount that is expected to flow-out in order to settle a specific short-term liability. Money received that does not belong to the Fund is included in Trade and Other Payables until it has been repaid.

**1.7 REVENUE RECOGNITION**

Rental income arising from Non-Current Assets held for sale is recognised as it legally accrues in terms of the original contract until the date of disposal of the particular property.

Interest on loans is recognised at fair value on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity.

Interest received on the bank account represents an amount that is due to the Provincial Department of Local Government and Housing on winding-up of the Fund and as such is credited directly to this liability included in Trade Payables.

**1.8 CURRENCY**

These financial statements are presented in South African Rand since that is the currency in which all of the entity's transactions are denominated.

**FREE STATE HOUSING FUND**  
for the year ended 31 March 2007

**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2007**

	2006/07 R'000	2005/06 R'000
<b>2. NON-CURRENT ASSETS</b>		
Opening Balance	-	8 691
Error in opening balances discovered 2005/6	-	(280)
Error in opening balances discovered 2006/7	-	(135)
Transfer to Non-Current Assets held for sale	-	(8 276)
<b>Gross carrying amount at end of year</b>	<b>-</b>	<b>-</b>
<b>3. NON-CURRENT ASSETS HELD FOR SALE</b>		
Opening Balance	8 276	-
Transfer from Property, Plant and Equipment	-	8 276
<b>Gross carrying amount at end of year</b>	<b>8 276</b>	<b>8 276</b>

These assets consist of the Fund's Land and Buildings that is in the process of being sold in terms of the Discount Benefit Scheme to the current occupants. The decision to wind-up the Fund has been taken at a national level and the transfer process is expected to take approximately two years to complete.

In terms of the Discount Benefit Scheme an amount of R42 000 per house is available as a subsidy to enable the current occupants to take ownership of their property. However the carrying amount reflected here is based on an average valuation of R38 493 per house for 215 houses seeing that some of them are not in prime condition and would have to be sold for less than R42 000.

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
FREE STATE HOUSING FUND  
for the year ended 31 March 2007

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2007

	2006/07 R'000	2005/06 R'000
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Rental debtors at fair value	241	302
Loans to individuals at fair value	8	3
Properties sold at fair value	15	16
Loan account: Department of Local Government and Housing	628	306
Loan account Free State Provincial Treasury	-	5 265
Other receivables	-	33
	892	5 925
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash on hand and bank balances	9 633	4 075
	<b>9 633</b>	<b>4 075</b>
<b>6. TRADE AND OTHER PAYABLES</b>		
Unallocated cash	-	43
Sundry payables	10	20
Inter-departmental transfers	-	11
Funds to be transferred to Department of Local Government & Housing	9 633	4 075
	<b>9 643</b>	<b>4 149</b>
<b>7. ERRORS</b>		
Correction of error relating to the valuation of property at 23 Kasteel Street discovered in 2005/6	-	(280)
Correction of error relating to sold properties that were still included in the asset register discovered in 2006/7	-	(135)
Amount previously disclosed as due to Free State Treasury was not outstanding according to Free State Treasury. Approval for the write-off was obtained from Treasury and the Head of Department of Free State Local Government & Housing in 2006/7.	-	2 709
	-	<b>2 294</b>

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
FREE STATE HOUSING FUND  
for the year ended 31 March 2007

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2007

	2006/07 R'000	2005/06 R'000
<b>8. RECONCILIATION OF NET PROFIT TO CASH GENERATED FROM OPERATIONS</b>		
Net profit	296	347
Adjustments for:		
- Capital adjustments properties sold	-	(66)
- Interest paid	-	4
- Interest received	(293)	(371)
- Cash to be transferred to Department of Local Government and Housing	(5 265)	-
- Errors	-	2 709
Operating profit before working capital changes	(5 262)	2 623
Changes in working capital:		
- (Increase)/ decrease in accounts Receivables	5 033	(268)
- Increase/(decrease) in trade payables	5 494	(2 487)
<b>Cash generated from/(used in) Operations</b>	<b>5 265</b>	<b>(132)</b>

**9. Financial Instruments**

Set out below is a comparison by category of carrying amounts and fair values of all of the Fund's financial instruments that are carried in the financial statements at other than fair values

	Carrying amount		Fair Value	
	2007 R'000	2006 R'000	2007 R'000	2006 R'000
<b>Financial Assets</b>				
Trade Receivables	892	5 925	892	5 925
<b>Financial Liabilities</b>				
Trade Payables	9 643	4 149	9 643	4 149

DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8  
FREE STATE HOUSING FUND  
for the year ended 31 March 2007

**NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2007 – OLD BUSINESS**

**9.1 Credit Risk**

The credit risk of trade receivables is not manageable because houses are being allocated to low-income tenants in terms of Government policy to promote social housing. In the light of the above, significant provision for bad debts has been raised against trade receivables to achieve a recoverable carrying amount.

**10. DISCONTINUED OPERATION**

The Fund's Land and Buildings is in the process of being sold in terms of the Discount Benefit Scheme to the current occupants. The decision to wind-up the Fund has been taken at a national level and the transfer process is expected to take approximately two years to complete.

**11. RELATED PARTIES**

Free State Department of Local Government and Housing

<i><b>Balances</b></i>	<b>2007</b>	<b>2006</b>
Loan Account included in Accounts Receivable	R627 555	R306 219

**12. EVENTS DURING REPORTING PERIODS**

Discontinued Operation - The Housing Fund was incorporated into the Provincial Department of the Local Government and Housing as from 1 April 2004 and the New Business therefore became dormant as from that date. Due to the New Business becoming dormant, all notes to the Financial Statements were combined and prior year figures appropriately restated.



## MILLENNIUM DEVELOPMENT GOALS

Every single Millennium Development Goal is directly related to human rights, and societies where women are not afforded equal rights can never achieve development in a sustainable way.

### Goal 1:

Eradicate extreme poverty and hunger

### Goal 2:

Achieve universal primary education

### Goal 3:

Promote gender equality and empower women

### Goal 4:

Reduce child mortality

### Goal 5:

Develop a Global Partnership for Development

### Goal 6:

Combat HIV/AIDS, malaria and other diseases

### Goal 7:

Ensure environmental sustainability

### Goal 8:

Improve maternal health

Societies where women are more empowered have a greater chance of achieving the Millennium Development Goals.

KHOMANANI  
RIBBON OF HOPE

••• PART 4: HUMAN RESOURCE MANAGEMENT •••

## PART 4: HUMAN RESOURCE MANAGEMENT

### VOTED FUNDS

<b>TOTAL AMOUNT APPROPRIATED FOR THE FINANCIAL YEAR 2006/2007</b>	R 745 870 000
<b>RESPONSIBLE MEC</b>	M.J MAFEREKA
<b>ACCOUNTING OFFICER</b>	K.F RALIKONTSANE

### PART 1: - SERVICE DELIVERY:

TABLE 1.1 – MAIN SERVICES PROVIDED AND STANDARDS

MAIN SERVICES	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Housing delivery	Rural communities Homeless people All that qualify in terms of the housing scheme	Rural communities Homeless people All that qualify in terms of the housing scheme	Houses supplied	Houses supplied
Local Government	Capacitating municipalities	All municipalities	All municipalities	All municipalities
Land development/spatial planning	Consultants Communities Municipalities	Consultants Communities Municipalities	Land developed and planned	Land developed and planned
Disaster management	Communities Municipalities	Communities Municipalities	Disaster prevention/management	Disaster prevention/management
Traditional affairs	Communities Traditional leaders House of traditional leaders Traditional Councils	Communities Traditional leaders House of traditional leaders Traditional Councils	Sound traditional affairs	Sound traditional affairs

**TABLE 1.2 – 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 1.3 – SERVICE DELIVERY ACCESS STRATEGY**

ACCESS STRATEGY	ACTUAL ACHIEVEMENT
Road shows Formal meetings Makgotla Informal meetings	Easier accessibility

**TABLE 1.4 – SERVICE INFORMATION TOOL**

TYPES OF INFORMATION TOOLS	ACTUAL ACHIEVEMENT
Road shows Formal meetings Makgotla Informal meetings Website	More informed people

**TABLE 1.5 – COMPLAINTS MECHANISM**

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

PART 2: - EXPENDITURE:

TABLE 2.1 – PERSONNEL COSTS PER PROGRAMME

PROGRAMME	TOTAL EXPENDITURE 'R000	PERSONNEL EXPENDITURE 'R000	TRAINING EXPENDITURE **R000	GOODS AND SPEC SERVICES 'R000	PERSONNEL COST AS A % OF TOTAL EXPENDITURE	AVERAGE PERSONNEL COST PER EMPLOYEE	EMPLOYMENT
Administration Support Services	45 219	19 996	2 430	16 100	44.2%	206 144	97
Housing	579 156	18 227	80	19 935	3.1%	170 345	107
Local Government	97 804	40 670	1 144	19 725	41.6%	109 034	*373
Theft and losses	309	-	-	-	-	-	-
TOTAL	722 488	78 893	3 654	55 760	10.9%	136 729	577

- ALL TRAINING EXPENDITURE PAID OUT OF PROGRAMME 1
- \* PROGRAMME 3,4,5 IN ONE BRANCH

TABLE 2.2 – PERSONNEL COSTS BY SALARY BANDS

SALARY BANDS	TOTAL EXPENDITURE R000	% OF TOTAL PERSONNEL COSTS	AVERAGE PERSONNEL COST PER EMPLOYEE	TOTAL PERSONNEL EXPENDITURE R000	NUMBER OF EMPLOYEES
TOTAL	722 488	10.9%	136 729	78 893	577

TABLE 2.3 – SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL ASSISTANCE BY PROGRAMME

PROGRAMME	SALARIES		OVERTIME		HOMEOWNERS ALLOWANCE		MEDICAL ASSISTANCE	
	AMOUNT 'R000	SALARIES AS A % OF PERSONNEL COST	AMOUNT 'R000	OVERTIME AS A % OF PERSONNEL COST	HOA AS A % OF PERSONNEL COST	AMOUNT R000	MED ASST AS % OF PERSONNEL COST	
Administration Support Services	12 319	61.6%	52	0.2%	339	1.6%	783	3.9%
Housing	12 397	68%	45	0.2%	336	1.8%	839	4.6%
Local Government	26 684	65.6%	-	-	637	1.5%	1 435	3.5%
TOTAL	51 400	65.1%	97	0.1%	1 312	1.6%	3 057	3.8%

TABLE 2.4 - SALARIES, OVERTIME, HOMEOWNERS ALLOWANCE AND MEDICAL ASSISTANCE BY SALARY BANDS

SALARY BAND	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
TOTAL	51 400	65.1%	97	0.1%	1 312	1.6%	3 057	3.8%

**PART 3: - EMPLOYMENT AND VACANCIES**

TABLE 3.1 – EMPLOYMENT AND VACANCIES BY PROGRAMME

PROGRAMME	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
1. MEC, CORPORATE SERVICES, FINANCE	305	97	31.8%	10
2. HOUSING, PROJECT MANAGEMENT	491	107	21.8%	6
3. LOCAL GOVERNMENT, DISASTER MANAGEMENT	*531	*373	69.5%	*1
4. LAND DEVELOPMENT, SPATIAL PLANNING, IDP, LED				
5. TRADITIONAL AFFAIRS				
TOTAL	1333	577	43.3%	17

\* par 3, 4, 5, is in one branch

**TABLE 3.2 – 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	20	11	45% (9 posts)	0
SKILLED LEVELS 3-5	530	313	40% (217 posts)	10 – contract appointments
HIGHLY SKILLED PRODUCTION LEVELS 6-8	517	144	72% (373 posts)	1 – contract appointment
HIGHLY SKILLED SUPERVISION LEVELS 9-12	224	72	67% (152 posts)	6 – contract appointments
SMS LEVELS 13-16	42	37	11% (5 posts)	0
<b>*A NUMBER OF POSTS STILL TO BE SUBJECTED TO THE PROCESS OF JOB EVALUATION AFTER RESTRUCTURING TO DETERMINE THE CORRECT LEVEL</b>				
TOTAL	1333	577	56% (756 posts)	17

**TABLE 3.3 – 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
INFORMATION TECHNOLOGY	13	4	69% (9posts)	8 – contract appointments
ORGANISATIONAL DEVELOPMENT	15	5	66% (10 posts)	0
TECHNICAL/ENGINEERING RELATED ADVISORY SERVICES	18	6	66% (12 posts)	5 – Cuban officials
FINANCE	98	37	62% (61 posts)	0
TOTAL	134	52	61% (82 posts)	0

Note: the new organisational structure of the department was approved 1 July 2006 and influenced the number of posts in certain areas.

PART 4: - JOB EVALUATION

TABLE 4.1 – 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	20	0	0	0	0	0	
SKILLED LEVELS 3-5	530	55	10.4%	3	5.5%	0	0
HIGHLY SKILLED PRODUCTION LEVELS 6-8	517	63	12.2%	9	14.3%	0	0
HIGHLY SKILLED SUPERVISION LEVELS 9-12	224	20	9.1%	9	45%	0	0
SMS LEVELS 13-16 BAND A BAND B BAND C BAND D	42	*0	*0	2	100%	0	0
TOTAL	1333	138	10.4%	23	16.7%	0	0

\* All SMS posts have been job evaluated during the previous financial year.

**TABLE 4.2 – PROFILE OF EMPLOYEES WHOSE SALARY POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED**

BENEFICIARIES	AFRICAN	ASIAN	COLOURED	WHITE	TOTAL
FEMALE	5	0	2	4	11
MALE	5	0	0	6	11
TOTAL	10	0	2	10	22
EMPLOYEES WITH A DISABILITY	0	0	0	0	0

**TABLE 4.3 – EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION**

OCCUPATION	NUMBER OF EMPLOYEES	JOB EVALUATION LEVEL	REMUNERATION LEVEL	REASON FOR THE DEVIATION
N.A.	0	0	0	0
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEEDED THE LEVEL DETERMINED BY JOB EVALUATION IN 2006/2007				0
% OF TOTAL EMPLOYMENT				0

**TABLE 4.4 – 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

## PART 5: - EMPLOYMENT CHANGES

**TABLE 5.1 – ANNUAL TURNOVER RATES BY SALARY BAND**

SALARY BAND	NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2006	APPOINTMENTS AND TRANSFERS INTO THE DEPT	TERMINATIONS AND TRANSFERS OUT OF DEPT	TURNOVER RATE
LOWER SKILLED LEVELS 1-2	10	0	0	0
SKILLED LEVELS 3-5	58	285*	13	94%
HIGHLY SKILLED PRODUCTION LEVELS 6-8	147	6	4	3%
HIGHLY SKILLED SUPERVISION LEVELS 9-12	79	0 (5 Cubans additional)	4 (5 Cubans additional)	1%
SMS LEVELS 13-16	20	12	0	0
TOTAL	314	303	21	103%

Large portion is the appointment of CDWs

**TABLE 5.2 – ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION**

CRITICAL OCCUPATION	NUMBER OF EMPLOYEES AS ON 1 APRIL 2006	APPOINTMENTS AND TRANSFERS INTO THE DEPT	TERMINATIONS AND TRANSFERS OUT OF DEPT	TURNOVER RATE
INFORMATION TECHNOLOGY	2	2 (8 additional)	0	3%
ORGANISATIONAL DEVELOPMENT	5	0	0	0
TECHNICAL/ENGINEERING RELATED ADVISORY SERVICES	8 (5 Cubans additional)	0 (5 Cubans additional)	3 (5 Cubans additional)	5%
FINANCE	40	5	5	18%
TOTAL	55	7	8	27%

**TABLE 5.3 – REASONS WHY STAFF ARE LEAVING THE DEPARTMENT**

TERMINATION TYPE	NUMBER	% OF TOTAL*
DEATH	3	0.51%
RESIGNATION	6	1.03%
EXPIRY OF CONTRACT	0	0
DISMISSAL/OPERATIONAL CHANGES	0	0
DISMISSAL/MISCONDUCT	0	0
DISMISSAL/INEFFICIENCY	0	0
DISCHARGE DUE TO ILL-HEALTH	0	0
RETIREMENT	3	0.51%
TRANSFERS TO OTHER PUBLIC SERVICE DEPTS	9	1.55%
OTHER	0	0
TOTAL	21	3.63%
TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT*		3.63%

\* TOTAL EMPLOYMENT = 577

**TABLE 5.4 – PROMOTIONS BY CRITICAL OCCUPATION**

OCCUPATION	NUMBER OF EMPLOYEES AT BEGINNING OF THE PERIOD 1 APRIL 2006	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
INFORMATION TECHNOLOGY	2	0	0	2	100%
ORGANISATIONAL DEVELOPMENT	5	2	40%	5	100%
TECHNICAL/ENGINEERING RELATED ADVISORY SERVICES	8 (5 Cubans additional)	1	12.5%	8	100%
FINANCE	40	9	22.5%	29	72.5%
TOTAL	55	12	21.8%	44	80%

**TABLE 5.5 – PROMOTIONS BY SALARY BAND**

SALARY BAND	NUMBER OF EMPLOYEES AS ON 1 APRIL 2006	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	10	0	0	7	70%
SKILLED LEVELS 3-5	58	4	6.8%	47	81%
HIGHLY SKILLED PRODUCTION LEVELS 6-8	147	18	12.2%	99	67%
HIGHLY SKILLED SUPERVISION LEVELS 9-12	79	2	2.5%	62	78%
SMS LEVELS 13-16	20	0	0	0	0
TOTAL	314	24	7.6%	215	68%

**PART 6: - EMPLOYMENT EQUITY**

**TABLE 6.1 – TOTAL NUMBER OF EMPLOYEES (INCLUDING EMPLOYEES WITH DISABILITIES) 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, PROFESSIONALS PERMANENT (9 – 16)	43 (1)	1	0	27 (3)	23	2	0	13 (2)	109 (6)
OFFICERS PERMANENT (6 – 8)	36 (1)	0	0	16	35	2	0	55	144 (1)
CLERKS, PERMANENT (3 – 5)	179 (4)	1	0	1	125 (6)	6	0	1	313 (10)
CRAFT AND RELATED TRADEWORKERS PERMANENT	0	0	0	0	0	0	0	0	0
ELEMENTARY OCCUPATIONS PERMANENT (1 – 2)	7	0	0	0	4	0	0	0	11
TOTAL	265 (6)	2	0	44 (3)	187 (6)	10	0	69 (2)	577 (17)

**TABLE 6.2 – 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 (14 – 16)	9	0	0	1	2	0	0	0	12
SENIOR MANAGEMENT (13)	13	0	0	3	7	1	0	1	25
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9 – 12)	21 (1)	1	0	23 (3)	14	1	0	12 (2)	72 (6)
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8)	36 (1)	0	0	16	35	2	0	55	144 (1)
SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3 – 5)	179 (4)	1	0	1	125 (6)	6	0	1	313 (10)
UN SKILLED AND DEFINED DECISION MAKING (1 – 2)	7	0	0	0	4	0	0	0	11
TOTAL	265 (6)	2	0	44 (3)	187 (6)	10	0	69 (2)	577 (17)

TABLE 6.3 – RECRUITMENT

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT (14 – 16)	2	0	0	0	1	0	0	0	3
SENIOR MANAGEMENT (13)	6	0	0	0	3	0	0	0	9
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9-12)	0	0	0	(3) Cubans	0	0	0	(2) Cubans	(5)
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8)	1	0	0	0	4	1	0	0	6
SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3-5)	167 (4)	1	0	0	114 (4)	2	0	1	285 (8)
UN SKILLED AND DEFINED DECISION MAKING (1 – 2)	0	0	0	0	0	0	0	0	0
TOTAL	176 (4)	1	0	(3)	122 (4)	3	0	1 (2)	303 (13)

**TABLE 6.4 - PROMOTIONS**

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT (14 – 16)	0	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT (13)	0	0	0	0	0	0	0	0	0
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9 – 12)	1	0	0	0	0	1	0	0	2
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMEN, AND SUPERINTENDENTS (6 – 8)	3	0	0	6	3	1	0	4	17
SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3 – 5)	1	0	0	0	3	0	0	0	4
UN SKILLED AND DEFINED DECISION MAKING (1 – 2)	0	0	0	0	0	0	0	0	0
TOTAL	5	0	0	6	6	2	0	4	23

TABLE 6.5 - TERMINATIONS

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
TOP MANAGEMENT (14 – 16)	0	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT (13)	0	0	0	0	0	0	0	0	0
PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9 – 12)	0	0	0	2	2	0	0	0	4
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8)	0	0	0	0	1	0	0	2	3
SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3 – 5)	7	0	0	0	7	0	0	0	14
UN SKILLED AND DEFINED DECISION MAKING (1 – 2)	0	0	0	0	0	0	0	0	0
TOTAL	7	0	0	2	10	0	0	2	21

**TABLE 6.6 – DISCIPLINARY ACTION**

OCCUPATIONAL BANDS	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
DISCIPLINARY ACTION	2	0	0	0	0	0	0	0	2
DEMOTION	0	0	0	0	0	0	0	0	0
FINAL WRITTEN WARNING	1	0	0	0	0	0	0	0	1
WRITTEN WARNING	0	0	0	0	0	0	0	0	0
DISMISSAL	0	0	0	0	0	0	0	0	0
TOTAL	3	0	0	0	0	0	0	0	3

**TABLE 6.7 – SKILLS\***

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	
LEGISLATORS, SENIOR OFFICIALS AND MANAGERS	31	0	0	12	14	1	0	1	59
PROFESSIONALS	7	0	0	12	6	0	0	9	34
TECHNICIANS AND ASSOCIATE PROFESSIONALS	0	0	0	0	0	0	0	0	0
CLERKS	210	1	0	20	163	9	0	57	360
SERVICES AND SALES WORKERS	0	0	0	0	0	0	0	0	0
SKILLED AGRICULTURE AND FISHERY WORKERS	0	0	0	0	0	0	0	0	0
CRAFT AND RELATED TRADE WORKERS	0	0	0	0	0	0	0	0	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	0	0	0	0	0	0	0	0	0
ELEMENTARY OCCUPATIONS	0	0	0	0	0	0	0	0	0
TOTAL	248	1	0	44	183	10	0	67	453
EMPLOYEES WITH DISABILITIES	0	0	0	0	0	0	0	0	0

**PART 7: - PERFORMANCE REWARDS (CASH BONUS)**

**TABLE 7.1 – PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY – level 1-16**

	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	TOTAL NUMBER OF EMPLOYEES IN GROUP	% OF TOTAL WITHIN GROUP	COST	AVERAGE COST PER EMPLOYEE BENEFITTED
AFRICAN	64	452 (260 CDWs appointed 1/7/2006)	13.49%	R 340 495	R 5 320
MALE	38	265	13.20%	R 186 334	R 4 904
FEMALE	26	187	13.9%	R 154 161	R 5 929
ASIAN	0	0	0	0	0
MALE	0	0	0	0	0
FEMALE	0	0	0	0	0
COLOURED	5	12	41.66%	R37 609	R 7 522
MALE	1	2	50%	R 7 770	R 7 770
FEMALE	4	10	40%	R 29 839	R 7 460
WHITE	81	113	72.56%	R 615 246	R 7 596
MALE	30	44	65.90%	R 274 411	R 9 147
FEMALE	51	69	76.81%	R 340 835	R 6 683
EMPLOYEES WITH DISABILITY	4	6	66.66%	Included above	Included above
TOTAL	150	577	25.64%	R 993 350	R 6 622

**TABLE 7.2 – 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 FOR THE DEPT (R 78 892 658)	
LOWER SKILLED LEVELS 1-2	2	11	18.18%	R 7 305	R 3 652	0.009%	
SKILLED LEVELS 3-5	28	313	8.94%	R 81 795	R 2 921	0.10%	
HIGHLY SKILLED PRODUCTION LEVEL 6-8	85	144	56.94%	R 487 816	R 5 739	0.61%	
HIGHLY SKILLED SUPERVISION 9-12	35	72	48.61%	R 416 434	R 11 989	0.53%	
TOTAL	150	540	27.22%	R993 350	R 6 622	1.25%	

**TABLE 7.3 – 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 (BENEFICIARY)
INFORMATION TECHNOLOGY	3	4	75%	R 19 502	R 6 500
ORGANISATIONAL DEVELOPMENT	4	5	80%	R 30 532	R 7 633
TECHNICAL/ENGINEERING RELATED ADVISORY SERVICES	9	6	150%	R 72 708	R 8 079
FINANCE	27	37	73%	R 191 162	R 7 080
TOTAL	43	52	83%	R 313 904	R 7 300

\* Some officials left the department during the said period but still benefited from PDMS

**TABLE 7.4 – 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	37	0	0	0	0
TOTAL	0	37	0	0	0	0

**PART 8: - FOREIGN WORKERS**

**TABLE 8.1 – FOREIGN WORKERS BY SALARY BAND**

5 Cuban officials on a contract basis – salary level 11

**TABLE 8.2 – FOREIGN WORKERS BY MAJOR OCCUPATION**

Engineering related fields

**PART 9: - LEAVE UTILISATION FOR THE PERIOD 1 APRIL 2006 TO 1 MARCH 2007**

**TABLE 9.1 – SICK LEAVE 1 APRIL 2006 TO 31 MARCH 2007**

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
LOWER SKILLED LEVELS 1-2	46	76.1	7	1.2%	7	7	7
SKILLED LEVELS 3-5	264	76.1	41	7.1%	6	53	41
HIGHLY SKILLED PRODUCTION LEVELS 6-8	806	79	97	16.8%	8	342	97
HIGHLY SKILLED SUPERVISION LEVELS 9-12	414	85.7	51	12.3%	8	359	51
SENIOR MANAGEMENT LEVELS 13-16	66	92.4	11	1.9%	6	121	11
TOTAL	1 596	81.6%	207	35.4%	35	882	207

**TABLE 9.2 – DISABILITY LEAVE (TEMPORARY AND PERMANENT) 1 APRIL 2006 TO 31 MARCH 2007**

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	0	0	0	0	0	0	0	0
HIGHLY SKILLED PRODUCTION LEVELS 6-8	0	0	0	0	0	0	0	0
HIGHLY SKILLED SUPERVISION LEVELS 9-12	0	0	0	0	0	0	0	0
SENIOR MANAGEMENT LEVELS 13-16	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0

**TABLE 9.3 – LEAVE PAYOUTS FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007**

REASON	TOTAL AMOUNT	NUMBER OF EMPLOYEES	AVERAGE PAYMENT PER EMPLOYEE
LEAVE UTILISATION DUE TO NON UTILISATION OF LEAVE	R94 000	11	R8 545
CAPPED LEAVE PAYOUTS ON TERMINATION OF SERVICE FOR 2006/2007	R114 000	13	R8 769
CURRENT LEAVE PAYOUT ON TERMINATION OF SERVICE FOR 2006/2007	0	0	0
TOTAL	R208 000	R29 000	R7 172

**PART 10: - HIV/AIDS AND HEALTH PROMOTION PROGRAMMES**

**TABLE 10.1 – STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE**

UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY <sup>4</sup> )	KEY STEPS TAKEN TO REDUCE THE RISK: This department has no occupational categories whose nature exposes its employees to the risks associated with HIV/AIDS.
No particular occupational class or categories of employees are by nature of their work dangerously exposed to the of contracting HIV/AIDS	Not applicable

**TABLE 10.2 – DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES (TICK THE APPLICABLE BOXES AND PROVIDE THE REQUIRED INFORMATION)**

QUESTION	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		DIRECTOR HUMAN RESOURCE MANAGEMENT AND ORGNISATIONAL DEVELOPMENT
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	YES		ONE ASSISTANT DIRECTOR. BUDGET FOR EMPLOYEE HEALTH PROMOTION IS INCORPORATED IN THE CORPORATE SERVICES BUDGET
HAS THE DEPARTMENT INTRODUCED AN EMPLOYEE ASSISTANCE OR HEALTH PROMOTION PROGRAMME FOR YOUR EMPLOYEES? IF SO, INDICATE THE KEY ELEMENTS/SERVICES OF THIS PROGRAMME	YES		<ul style="list-style-type: none"> <li>• LIFE SKILLS PROGRAMME</li> <li>• HEALTH SCREENING AND REFERRAL</li> <li>• MARKETING AND EDUCATIONAL SERVICES</li> <li>• EMPLOYEE COUNSELING</li> <li>• SPORTS AND HEALTH PROMOTION</li> <li>• ASSISTANCE AND BEREAVEMENT</li> <li>• NEWSLETTER PUBLICATION</li> <li>• OHS</li> <li>• HIV AND AIDS</li> </ul>
HAS THE DEPARTMENT ESTABLISHED COMMITTEES AS CONTEMPLATED IN PART VI E.5 (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		<p>The previous (2205/2006) HIV and AIDS committee is being revamped. Levels of previous committee members ranged between 3 – 8. Requests for higher levels has been submitted to ensure that the committee is more effective. Previous members were</p> <ul style="list-style-type: none"> <li>• S KETLHOILWE</li> <li>• T LETANTA</li> <li>• P JASE</li> <li>• R TAOLE</li> <li>• F KUNENE</li> </ul>

HAS THE DEPARTMENT REVIEWED ITS EMPLOYMENT POLICIES AND PRACTICES TO ENSURE THAT THESE DO NOT UNFAIRLY DISCRIMINATE AGAINST EMPLOYEES BECAUSE OF THEIR HIV STATUS? IF SO LIST THE EMPLOYMENT POLICIES/PRACTICES SO REVIEWED	YES	The Human Resources policies comply with the EEA and prohibits discrimination based on HIV or AIDS
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	Educational programmes to heighten awareness among employees regarding non-discrimination against employees with HIV and AIDS
DOES THE DEPARTMENT ENCOURAGE ITS EMPLOYEES TO UNDERGO VOLUNTARY COUNSELING AND TESTING? IF SO, LIST THE RESULTS THAT YOU HAVE ACHIEVED	YES	A survey or assessment in this regard has not been done. However employees are encouraged to test
HAS THE DEPARTMENT DEVELOPED MEASURES/INDICATORS TO MONITOR AND EVALUATE THE IMPACT OF ITS HEALTH PROMOTION PROGRAMME? IF SO, LIST THESE MEASURES/INDICATORS	YES	Envisaged for the current financial year

#### PART 11: - LABOUR RELATIONS

TABLE 11.1 – COLLECTIVE AGREEMENTS 1 APRIL 2006 TO 31 MARCH 2007

SUBJECT MATTER	DATE
NONE	-----

TABLE 11.2 – MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED 1 APRIL 2006 TO 31 MARCH 2007

OUTCOMES OF DISCIPLINARY HEARINGS	NUMBER	% OF TOTAL *
CORRECTIONAL COUNSELING	0	0
VERBAL WARNINGS	0	0
WRITTEN WARNING	0	0
FINAL WRITTEN WARNING	1	50%
SUSPENDED WITHOUT PAY	0	0
FINE	0	0
DEMOTION	0	0
DISMISSAL	0	0
NOT GUILTY	0	0
CASE WITHDRAWN	1	50%
TOTAL	2	

**TABLE 11.3 – TYPES OF MISCONDUCT ADDRESSED AT DISCIPLINARY HEARINGS**

TYPE OF MISCONDUCT	NUMBER	% OF TOTAL
FRAUD AND THEFT	0	0
CODE OF CONDUCT	1	50%
ABUSE OF GOVERNMENT PROPERTY	1	50%
ABSENTEEISM	0	0
TOTAL	2	

**TABLE 11.4 – GRIEVANCES LODGED FOR THE PERIOD 1 APRIL 2004 TO 31 MARCH 2006**

	NUMBER	% OF TOTAL
NUMBER OF GRIEVANCES RESOLVED	16	94.2%
NUMBER OF GRIEVANCES NOT RESOLVED	1	5.8%
TOTAL NUMBER OF GRIEVANCES LODGED	17	

**TABLE 11.5 – DISPUTES LODGED WITH COUNCILS FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007**

	NUMBER	% OF TOTAL
NUMBER OF DISPUTES UPHELD	0	0
NUMBER OF DISPUTES DISMISSED	4	100%
TOTAL NUMBER OF DISPUTES LODGED	4	

**TABLE 11.6 – STRIKE ACTIONS FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007**

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

**TABLE 11.7 – PRECAUTIONARY SUSPENSIONS FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007**

NUMBER OF PEOPLE SUSPENDED	0
NUMBER OF PEOPLE WHOSE SUSPENSION EXCEEDED 30 DAYS	0
AVERAGE NUMBER OF DAYS SUSPENDED	0
COST OF SUSPENSIONS	0

- A number of verbal cases were handled that cannot be reflected above
- The department has also assisted with a number of cases in other departments
- Training on all areas of Labour Relations were conducted

PART 12: - SKILLS DEVELOPMENT

1 APRIL 2006 TABLE 12 1 – TRAINING NEEDS IDENTIFIED to 31 MARCH 2007

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			TOTAL
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	
LEGISLATURES, SENIOR OFFICIALS AND MANAGERS	MALE	33	<ul style="list-style-type: none"> <li>Strategic planning and management change management</li> <li>Performance management</li> <li>Presidential strategic leadership programme</li> <li>Executive management and leadership programme</li> <li>Financial management and budgeting</li> <li>Project management</li> <li>Policy development and analysis</li> <li>Labour law</li> <li>Arbitration</li> <li>Capacity assessment</li> <li>Presiding officer skills</li> <li>Supply chain management</li> <li>Knowledge management</li> <li>Diversity management</li> </ul>	<ul style="list-style-type: none"> <li>Capacity assessment</li> <li>Project management</li> <li>Service level agreements</li> <li>Action research and methODs</li> <li>Contract management</li> <li>Legislative drafting</li> </ul>	<ul style="list-style-type: none"> <li>Sms conferences</li> <li>Provincial and national summits</li> <li>Workshops</li> </ul>	25
	FEMALE	16	<ul style="list-style-type: none"> <li>Strategic planning and management change management</li> <li>Performance management</li> <li>Presidential strategic leadership programme</li> <li>Executive management and leadership programme</li> <li>Financial management and budgeting</li> <li>Project management</li> </ul>	<ul style="list-style-type: none"> <li>Capacity assessment</li> <li>Project management</li> <li>Service level agreements</li> <li>Action research and methODs</li> <li>Contract management</li> <li>Legislative drafting</li> </ul>	<ul style="list-style-type: none"> <li>Sms conferences</li> <li>Provincial and national summits</li> <li>Workshops</li> </ul>	25

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD				TOTAL
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING		
PROFESSIONALS			Policy development and analysis Labour law Arbitration Women in leadership Capacity assessment Presiding officer skills Supply chain management Knowledge management Diversity management				
	FEMALE	15	Statistical analysis Principles of quantity surveying Building methODs and regulations HSS GIS Biometrics	Capacity assessment Project management Service level agreements Action research and methODs Contract management Legislative drafting	Conferences Provincial and national summits Workshops	12	
	MALE	19	Statistical analysis Principles of quantity surveying Building methODs and regulations HSS GIS Biometrics	Capacity assessment Project management Service level agreements Action research and methODs Contract management Legislative drafting	Conferences Provincial and national summits Workshops	16	
	FEMALE	0	0	0	0	0	
TECHNICIANS AND ASSOCIATE PROFESSIONALS	MALE	0	0	0	0	0	

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			TOTAL
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	
CLERKS	FEMALE	229	Computer skills Report writing Typing skills Motivation and self management Record keeping management LOGIS Fraud and corruption Asset management HRM Communication Spoken languages PFMA Banking BAS Emotional intelligence Diversity management Counselling skills Planning and organizing Sign language Meeting procedures Code of conduct Facilitation skills Policy development Induction Fraud and corruption prevention Time management Information management	Research Project management Training the trainer Customer care	Workshops Conferences	63

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			TOTAL
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING	
	MALE	231	<p>Computer skills Report writing Typing skills Motivation and self management Record keeping management LOGIS Fraud and corruption Asset management HRM Communication Spoken languages PFMA Banking BAS Emotional intelligence Diversity management Counselling skills Planning and organizing Sign language Meeting procedures Code of conduct Facilitation skills Policy development Induction Fraud and corruption prevention Time management Information management</p>	<p>Research Project management Training the trainer Customer care</p>	<p>Workshops Conferences</p>	33

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD				TOTAL
			LEADERSHIPS	SKILLS PROGRAMMES AND OTHER SHORT COURSES	OTHER FORMS OF TRAINING		
SERVICE AND SALES WORKERS	FEMALE	0	0	0	0	0	
	MALE	0	0	0	0	0	
SKILLED AGRICULTURE AND FISHERY WORKERS	FEMALE	0	0	0	0	0	
	MALE	0	0	0	0	0	
CRAFT AND RELATED TRADES WORKERS	FEMALE	0	0	0	0	0	
	MALE	0	0	0	0	0	
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	FEMALE	0	0	0	0	0	
	MALE	0	0	0	0	0	
ELEMENTARY OCCUPATIONS	FEMALE	0	0	0	0	0	
	MALE	0	0	0	0	0	
SUB TOTAL	FEMALE	0	0	0	0	0	
	MALE	0	0	0	0	0	
TOTAL						174	

TABLE 12.2 – TRAINING PROVIDED 1 APRIL 2006 TO 31 MARCH 2007

OCCUPATIONAL CATEGORIES		GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD		
LEGISLATURES, SENIOR OFFICIALS AND MANAGERS	FEMALE	16	<ul style="list-style-type: none"> <li>Performance management</li> <li>Executive management and leadership programme</li> <li>Project management</li> <li>Policy development and analysis</li> <li>Labour law</li> <li>Arbitration</li> <li>Women in leadership positions</li> <li>Presiding officer skills</li> </ul>	<ul style="list-style-type: none"> <li>Service level agreements</li> <li>Action research and meth-ODs</li> <li>Contract management</li> </ul>	<ul style="list-style-type: none"> <li>SMS conferences</li> <li>Provincial and national summits</li> <li>Workshops</li> </ul>	15
	MALE	35	<ul style="list-style-type: none"> <li>Performance management</li> <li>Executive management and leadership programme</li> <li>Project management</li> <li>Policy development and analysis</li> <li>Labour law</li> <li>Arbitration</li> <li>Women in leadership positions</li> <li>Presiding officer skills</li> </ul>	<ul style="list-style-type: none"> <li>Service level agreements</li> <li>Action research and meth-ODs</li> <li>Contract management</li> </ul>	<ul style="list-style-type: none"> <li>SMS conferences</li> <li>Provincial and national summits</li> <li>Workshops</li> </ul>	14
PROFESSIONALS	FEMALE	15	<ul style="list-style-type: none"> <li>• Statistical analysis</li> <li>• Principles of quantity surveying</li> <li>• HSS</li> <li>• GIS</li> </ul>	<ul style="list-style-type: none"> <li>• Project management</li> </ul>	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Workshops</li> <li>• Summits</li> </ul>	8
	MALE	19	<ul style="list-style-type: none"> <li>• Statistical analysis</li> <li>• HSS</li> <li>• GIS</li> </ul>	<ul style="list-style-type: none"> <li>• Project management</li> </ul>	<ul style="list-style-type: none"> <li>• Conferences</li> <li>• Workshops</li> <li>• Summits</li> </ul>	7
TECHNICIANS AND ASSOCIATE PROFESSIONALS	FEMALE	-	-	-	-	-
	MALE	-	-	-	-	-

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD
CLERKS	FEMALE	229	<ul style="list-style-type: none"> <li>• Computer skills</li> <li>• Report writing</li> <li>• Typing skills</li> <li>• Motivation and self management</li> <li>• Record keeping management</li> <li>• LOGIS</li> <li>• Fraud and corruption</li> <li>• Asset management</li> <li>• HRM</li> <li>• Communication</li> <li>• Spoken languages</li> <li>• PFMA</li> <li>• Banking</li> <li>• BAS</li> <li>• Emotional intelligence</li> <li>• Diversity management</li> <li>• Counselling skills</li> <li>• Planning and organizing</li> <li>• Sign language</li> <li>• Meeting procedures</li> <li>• Code of conduct</li> <li>• Facilitation skills</li> <li>• Policy development</li> <li>• Induction</li> <li>• Fraud and corruption prevention</li> <li>• Time management</li> <li>• Information management</li> </ul> <ul style="list-style-type: none"> <li>• Research</li> <li>• Project management</li> <li>• Training the trainer</li> <li>• Customer care</li> </ul> <ul style="list-style-type: none"> <li>• Workshops</li> <li>• Conferences</li> </ul>

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD
	MALE	231	<ul style="list-style-type: none"> <li>• Computer skills</li> <li>• Report writing</li> <li>• Typing skills</li> <li>• Motivation and self management</li> <li>• Record keeping management</li> <li>• LOGIS</li> <li>• Fraud and corruption</li> <li>• Asset management</li> <li>• HRM</li> <li>• Communication</li> <li>• Spoken languages</li> <li>• PFMA</li> <li>• Banking</li> <li>• BAS</li> <li>• Emotional intelligence</li> <li>• Diversity management</li> <li>• Counselling skills</li> <li>• Planning and organizing</li> <li>• Sign language</li> <li>• Meeting procedures</li> <li>• Code of conduct</li> <li>• Facilitation skills</li> <li>• Policy development</li> <li>• Induction</li> <li>• Fraud and corruption prevention</li> <li>• Time management</li> <li>• Information management</li> </ul> <ul style="list-style-type: none"> <li>• Research</li> <li>• Project management</li> <li>• Training the trainer</li> <li>• Customer care</li> </ul> <p style="text-align: right; margin-top: 20px;">Workshops Conferences</p> <p style="text-align: right; margin-top: 20px;">19</p>

OCCUPATIONAL CATEGORIES	GENDER	NUMBER OF EMPLOYEES AS AT 1 APRIL 2007	TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD			
SERVICE AND SALES WORKERS	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
SKILLED AGRICULTURE AND FISHERY WORKERS	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
CRAFT AND RELATED TRADES WORKERS	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
ELEMENTARY OCCUPATIONS	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
SUB TOTAL	FEMALE	0	0	0	0	0
	MALE	0	0	0	0	0
TOTAL						73

## PART 13: - INJURY ON DUTY

**TABLE 13.1 – INJURY ON DUTY 1 APRIL 2006 TO 31 MARCH 2007**

NATURE OF INJURY ON DUTY	NUMBER	% OF TOTAL
REQUIRED BASIC MEDICAL ATTENTION ONLY	6	
TEMPORARY TOTAL DISABLEMENT	0	
PERMANENT DISABLEMENT	0	
FATAL	0	
TOTAL	6	

## PART 14: - UTILISATION OF CONSULTANTS

**TABLE 14.1 – REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS**

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	CONTRACT VALUE IN RAND
General Consultant		R 23 138 000
Service tendered to the department	-	

**TABLE 14.2 – 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
-	-	-	-

Database had not yet been developed.

**TABLE 14.3 – REPORT ON CONSULTANT APPOINTMENTS USING DONOR FUNDS**

PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	DONOR AND CONTRACT VALUE IN RAND
To provide training in the field of local governance, and establish a one-stop centre for assistance and support to municipalities	1		Flemish Government: R442 000
To perform a capacity building impact assessment, performance review and municipal profiling	1		Development Bank: R220 000
TOTAL NUMBER OF PROJECTS	2	TOTAL DURATION: WORKDAYS	TOTAL CONTRACT VALUE IN RAND
			R660 000

**TABLE 14.4 – 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
-	-	-	-









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