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PART A: GENERAL INFORMATION

ANNUAL REPORT

2010 - 2011

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REMARKS BY THE MEMBER OF THE EXECUTIVE COUNCIL

The 2010/2011 annual report provides the actual performance of the Department for the period under review. This report has been developed to provide an overview of variety of works and programmes managed by Department of Public Works and Rural Development. It also highlights the Departments accomplishment and constraints for the 2010/2011 financial year.

The focus of 2010/2011 financial year has been the acceleration of socio-economic infrastructure for both rural and urban areas as outlined in our Annual Performance Plan. The Department continues with its role of contributing to the fight against poverty and the acceleration of economic development in the province.

During the year under review, the Department realised some considerable achievements, but there were some failures as well due to lack of funding. Part of these failures includes our failure to implement the Property Incubator Programme, implementation of National Youth Service, maintenance of government buildings and lack of technical skills. In its endeavour to fight poverty and unemployment, the Department's work is informed by the following key programmes (Which are elaborated in the HOD's introductory remarks):

- Public Works and
- Expanded Public Works Programme
- Rural Development

The Department manage to pay all 2010/2011 grant amount budgeted for rates and taxes to various municipalities which improved their financial viability.

Rural Development is a central pillar of our struggle against unemployment, poverty, and underdevelopment. The department has committed itself to provide socio-economic infrastructure to rural areas and some work has already been done in some of the rural areas like Diyatalawa and Makgolokeng.

In addition, we have registered success in the delivery of infrastructure and we were on schedule on the delivery of social infrastructure on behalf of our sister Departments, which is in line with our vision of building a caring society. Social infrastructures like schools, health care facilities are key to meeting the basic needs of our people by improving their living conditions.

We are conscious of the need to build stronger partnerships with our sister Departments both provincial and national, as well as municipalities. We believe that improved intergovernmental coordination is key to unlocking the economic potential of the Province.

Me . E.S. Mabe
MEC: Public Works and Rural Development

Date: 31 May 2011

PREFACE BY THE HEAD OF THE INSTITUTION

The year under Review gives an account of the performance of the Department of Public Works and Rural Development. The Department has ensured that socio-economic physical infrastructure is developed in the form of capital works projects, maintained, and upgraded towards sustaining physical infrastructure quality for long-term utilisation.
As an implementing agent of infrastructure projects for other departments and our own capital projects, the department has successfully collaborated with client departments in order to meet government objectives.

In terms of Rural Development mandate, an investment has been made in rural areas through infrastructure development and creation of amenities that will result in vibrant and sustainable rural areas. This has been achieved by working with other departments and municipalities through mass mobilisation, skills development and training on projects targeting job creation, women and youth development.
The establishment of Provincial Rural Development Coordinating Committee has ensured a successful collaboration with other stakeholders. This is demonstrated by the successful community projects in Diyatalawa, Makgolokoeng, Thaba Nchu, Jacobsdal, and Jagersfontein.

Building of capacity within the construction industry will continue to be a key priority for the Department. The Women in Construction initiative was introduced to encourage and reward the best performing female contractors within this male dominated industry. The 2010 Women in Construction Awards were held in Parys in partnership with the Construction Industry Development Board (CIDB). The provincial winners automatically gained entry into the National Construction Women Awards where two Free State companies represented the Free State and won the respective categories at the National Awards.

The Department is implementing measures aimed at redressing the imbalances of the past. A considerable effort has been made towards the procurement opportunities available to Historically Disadvantaged Individuals (HDIs). Of the 43 bids awarded to the value of R919,229,002, 72% was awarded to HDIs, of which 28% was awarded to women companies.
In procuring accommodation-related services, government rewards companies that apply equity allocation to historically disadvantaged individuals as well as promoting skills development in the property industry. Regarding property municipal services, rates and taxes the Department has implemented intervention strategies to improve municipalities' financial viability. To date, a total amount of 222,376,000 has been paid to various municipalities towards rates and taxes. In addition, the Department has also paid as total of 182,533,000 towards municipal services. We will continue to work closely with municipalities in assisting them with accurate invoicing to ensure timely payment.

In partnership with role players in the infrastructure, social, non-state as well as the environment and culture sectors, the Expanded Public Works Programme (EPWP) has created 41,804 work opportunities and 16,358 Full Time Equivalent (FTE) jobs. Ten municipalities have qualified for the EPWP incentive grant.

The Department tirelessly strives towards achieving government's developmental strategic agenda in all its endeavours.

Me M.M. E. Nthongoa:
Accounting Officer: Public Works and Rural Development

Date: 31 May 2011

PART A: GENERAL INFORMATION

– Year Ended 31 March 2011

1.1. VISION

A prosperous Free State with sustainable infrastructure and rural development.

1.2. MISSION

Coordination, provision, promotion of infrastructure and sound management of assets aimed at sustainable urban and rural livelihoods.

1.3. CORE VALUES

The following principles drive the employees' behaviour towards accomplishing the Departmental vision:

- Commitment
- People-Centred
- Teamwork
- Responsiveness
- Fairness
- Transparency
- Integrity and Honesty
- Respect

1.4. CORE FUNCTIONS OF THE DEPARTMENT

- Construction and maintenance of social and economic infrastructure.
- Management of provincial owned and rented property.
- Provision of Provincial Government office accommodation.
- Coordination and monitoring of the Expanded Public Works Programme.
- Monitoring, coordination and the implementation of Rural Development and
- Security management for interdepartmental buildings.

1.5. LEGISLATIVE MANDATE

The legislative and policy directives that guide the functions of the Department of Public Works and Rural Development are reflected below:

- Constitution of the Republic of South Africa (Act 108 of 1996)
- Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended by Public Finance Management Amendment Act, 1999 (Act No. 29 of 1999)
- Public Service Regulations 2001 (as amended)
- Division of Revenue Act, 2005 (Act No. 4 of 2005)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Skills Development Act, 2003 (Act No. 31 of 2003)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act No. 5 of 2000)
- Broad Based Black Economic Empowerment Act 2003, (Act No. 53 of 2003)
- Compensation for Occupational Injuries and Disease Act, 1993 (Act No. 130 of 1993)
- Policy Document on the Statutory Regulation of the Built Environment Professionals, 1999
- White Paper: Public Works towards the 21st Century, 1997
- Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
- Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000).
- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
- Access Control to Public Premises and Vehicles Act, 1985 (Act No. 53 1985)
- Comprehensive Rural Development Programme Framework, 2009.

1.6. VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation R'000	Actual Amount Spent R'000	Over/Under Expenditure R'000
Vote 9	948,325	1,063,045	1,027,401	35,644

Responsible Executive Authority	MEC: Public Works and Rural Development
Administering Department	Public Works and Rural Development
Accounting Officer	Superintendent General: Public Works and Rural Development

1.7. AIM OF THE VOTE

The Department of Public Works and Rural Development is responsible for the construction and maintenance of buildings, management of provincial owned and rented property, coordination, monitoring and implementation of Expanded Public Works Programme and Rural Development as well as security management for interdepartmental buildings.

1.8. BUDGET PROGRAMMES, STRATEGIC GOALS AND SERVICE DELIVERY ACHIEVEMENTS

1.8.1. Budget Programmes

The Departmental strategic goals and objectives are implemented within the following four budget programmes, namely:

- Programme 1: Administration
- Programme 2: Public Works
  - Works Design, Construction and Maintenance
  - Property Management
  - Security Services
- Programme 3: Expanded Public Works Programme (EPWP)
- Programme 4: Rural Development Programme

1.8.2. Strategic goals and objectives

The strategic goals and objectives linked to the four budget programmes are listed in the table below:

Budget Programmes	Strategic Goals	Strategic Objectives
Programme 1: Administration:	1. A working environment geared towards improved service delivery.	1.1 Create and sustain a working environment conducive to improved service delivery 1.2 Strengthen leadership and the development of personnel 1.3 Create and sustain a performance culture within the department 1.4 Ensure compliance to principles of good governance

Budget Programmes	Strategic Goals	Strategic Objectives
Programme 2: Public Works:	2. A transformed and effective construction industry that promotes government's objectives.	2.1. Create an enabling environment that facilitates and promotes sustainable infrastructure investment in the Free State.
	3. Effective property management and accelerated Historically Disadvantaged Individual access to the property industry.	3.1. Create an enabling environment for sustainable investment in property in the Free State 3.2. Manage provincial government owned and leased immovable assets effectively 3.3. Provide a safe and secure environment.
Programme 3: Expanded Public Works Programme:	4. Massification of Expanded Public Works Programme to create jobs and alleviate poverty.	4.1 Mobilize all stakeholders towards the successful implementation of the EPWP 4.2 Co-ordinate the implementation of the EPWP within the Free State Province 4.3 Monitor and evaluate the impact of EPWP in the Province
Programme 4: Rural Development Programme	5. Creation of sustainable economic growth and social development programmes in rural areas.	5.1 Mobilise, coordinate and monitor all stakeholders towards the successful implementation of provincial rural development strategy 5.2 Facilitate and coordinate access to social amenities within rural areas

1.8.3. Significant Service Delivery Achievements

A summary of the major achievements made with regard to the implementation of the strategic objectives during the 2010/2011 financial year is as follows:

1.8.3.1. Programme 1: Administration

Filling of funded posts

To fast-track service delivery, 141 appointments were made during the year under review. 136 of the 141 appointments are from all the five districts and distributed as follows: Motheo 84, Fezile Dabi 21, Lejweleputswa 7, Xhariep 16 and Thabo Mofutsanyana 13.

The Department as part of its recruitment strategy, resolved to absorb the bursary holders once they have completed their studies. Consequently, 13 bursary holders in the fields of Engineering (Civil, Mechanical and Electrical), Quantity Surveying, Information Technology and Human Resource have been appointed.

Capacity building interventions to enhance infrastructure delivery

To enhance infrastructure delivery technical, staff in the built environment are expected to register with the appropriate professional council. As a result, 5 employees are currently registered as Professionals and 11 as Candidates in various fields. Upon completion of this professional internship, they will be registered as fully fledged professionals and will be able to sign off projects.

Student interns are mostly being mentored by external companies whilst in-house capacity is being developed to address professional registrations. Negotiations are ongoing to appoint retired and/or practicing professionals as mentors on a contractual basis.

Student Internship Programme

The objective of the internship programme is to ensure that full time bursary holders are afforded the opportunity to undergo experiential training in order to obtain their qualification. 23 bursary holders in scarce skills from all five districts have been appointed as student interns and are doing experiential (practical) training under specific mentors. Of the 23 student interns, 15 completed their internship programme in the fields of Civil Engineering, Mechanical Engineering, Electrical Engineering, Quantity Surveying and Financial Management.

Recognition of Prior Learning (RPL***) of Tradesman Aid***

The RPL project of Tradesman Aids aims to address career succession within artisan occupations. The project basically entails the training of Tradesman Aids in the Department to become qualified artisans in the trades of plumbing, plastering, bricklaying, electrical, painting, carpentry and welding.

Preventative measures to address crime and corruption

Information sessions on Labour Relations issues and the Public Service Code of Conduct were held with all levels of employees. The purpose of these sessions was to highlight the importance of sound labour relations, satisfactory performance, the grievance procedure and the prevention of fraud and other forms of misconduct.

1.8.3.2. Programme 2: Public Works

a) Works Construction and Maintenance

Transformation of the construction industry:

The Department is implementing measures aimed at redressing the imbalances of the past in the construction industry. Amongst the key issues is the expectation that the Department should consider the Broad Based Black Empowerment in contracting service providers in its delivery of services. To realise this objective, a Construction Industry Development Board (CIDB) satellite office in Qwaqwa has been established to assist contractors with CIDB registration as well as bringing services closer to the people. Once a contractor is registered, is graded accordingly and thus qualify to bid in accordance to the CIDB requirements.

Over the period under review, the Department has made a considerable effort in availing the procurement opportunities to Historically Disadvantaged Individuals (HDIs) indicated in the table below:

Bids Awarded	Total
Total bid awarded in 2010/2011	43
Total rand Value (R million)	R919,229,002
Number of bids awarded to HDI Companies	31
Amount to HDI's (R million)	R337,565,793
Percentage number of bids awarded to Historically Disadvantaged Individuals	72.09%
Number of bids awarded to Women Companies	12
Percentage number of bids awarded to Women	27.90 %
Amount to Women R million)	R202,236,964

In the department's effort to address the plight of women in the male dominated construction industry, construction contracts to the value of R202,236,964 were awarded to women-owned companies.

Enhance and accelerate infrastructure delivery

The prime aim of works construction and maintenance is to ensure that socio-economic physical infrastructure is developed in the form of capital works projects, maintained and upgraded towards sustaining physical infrastructure quality for long-term utilization.

During the year under review, 23 of 28 capital projects were completed to the value of R 453,415,225.94

b) Property Management

Transformation of the Property Industry

Transformation of the property sector entails changing the patterns of ownership, whereby the Historically Disadvantaged Individuals own properties by addressing the skewed ownership patterns. In procuring accommodation related services, government reward companies that apply equity allocation to Historically Disadvantaged Individuals as well as promoting skills development in the industry.

The Department rents property from the Historically Disadvantaged Individuals in an effort to assist them to enter the fixed property industry which is so far dominated by the previously advantaged:

Number of rental contracts	125
Number owned by the HDIs	20
Number owned by the BEEs:	4
Rent paid to date	R142,343,619m
Funds paid to HDIs	R29,121
Funds paid to BEE	R12,902
Percentage HDI & BEE v/s total expenditure at end year	29.5%

Property Rates & Taxes and Municipal Services

The Department as one largest property owner and consumer of municipal services in the province, is committed to meeting its financial obligations to municipalities and has paid its municipal accounts in time to improve the municipalities' revenue and thus service delivery. The Department has implemented intervention strategies to improve the payment of municipal services, rates and taxes. Therefore, municipalities are continuously engaged and assisted to correct their billing information to ensure timely payment. The expenditure per district for 2010/2011 is illustrated in the table below:

Districts	Services (Electricity & Water & Sanitation & Refuse)	Rates &Taxes	Total
Motheo	R107,739m	R28,849m	R136,588m
Fezile Dabi	R13,885m	R22,339m	R36,225m
Lejweleputswa	R16,562m	R14,772m	R31,333m
Thabo Mofutsanyana	R29,625m	R154,732m	R184,356m
Xhariep	R3,012m	R1,684m	R4,696m
Others (ESKOM & Private Entities and Landlords)	R11,710m	R0.00	R11,710m
Total	**R182,533**	**R222,376**	**R404,909m**

c) Security Services

Improve security capacity in government buildings

Metal detectors were introduced at main entrances of Lebohang and Provincial Government Buildings. Distinct visitors' cards were also introduced at Provincial Government Buildings and Medfontein.

Total of 48 criminal cases were reported and investigated. 9 Of these are still pending with the South African Police Services and Courts.

Six private security companies were appointed in Kopano Complex in Welkom, Ladybrand Roads Office, Jim Fouche Resort, Fika Patso Resort, Zastron Community Centre and Bloemfontein Furniture factory.

1.8.3.3. Programme 3: Expanded Public Works Programme (EPWP)

Job Creation

The programme has exceeded its job creation targets. The department ensured over the years that all the municipalities in the province participate and create longer term work opportunities. In partnership with role players in the infrastructure, social, non-state as well as the environment and culture sectors, the EPWP has created

41,804 work opportunities and 16,358 Full Time Equivalent jobs. This includes work opportunities created per Sector as follows:

- Environment and Culture Sector 6,859
- Infrastructure Sector 12,231
- Non State Sector 2,779
- Social Sector 9,360
- Community Works Programme 4,031

Breakdown per Vulnerable groups is as follows:

- Women 25,082
- Youth 26,754
- People with Disabilities 168

The Free State province received a total amount of R4,972,000 in respect of the EPWP Infrastructure Incentive Grant of which R2,708,000 was awarded to municipalities, and R2,264,000 to the Department of Public Works and Rural Development. Ten municipalities qualified for the EPWP incentive grant.

A further amount of R4,992,000 was allocated towards the Social Sector Wage Grant and was divided between the Department of Health (R3 288,000) and Department of Social Development (R1,704,000). The Department of Health has qualified for the Social Incentive Grant of R15,500,000 for the 2011/2012 financial year for all its EPWP projects.

Masilonyana Food for Waste Project

The Food for Waste programme falls within the EPWP's Environment and Culture Sector aims at greening the environment and decreases illegal dumping sites in local communities. It is a poverty alleviation initiative as domestic waste is exchanged for food parcels.

The project is implemented in partnership with the Masilonyana Local Municipality and was launched on 18 June 2010 in Theunissen where 60 beneficiaries are participating. The Programme is also been replicated in Metsimaholo and Ngwathe local municipalities and has added 200 and 100 beneficiaries respectively.

New Venture Learnership

The purpose of this learnership is to develop learners to become competent entrepreneurs within the wholesale and retail sector. The learnership is implemented in partnership with Wholesale and Retail SETA and SETA provides funding for training. The Services Seta is responsible for quality assurance as well as the accreditation. The learnership will address the economic; administrative and behaviour barriers that contribute to failures in starting and sustaining a business.

30 business ventures managed by young entrepreneurs from Historically Disadvantaged Individuals have been created in all five districts. The breakdown is as follows: Motheo 15, Lejweleputswa 5, Fezile Dabi 3, Xhariep 2 and Thabo Mofutsanyana 5. The duration of the learnership is 18 months and training started in July 2010.

National Youth Service Programme

14 Learners are undergoing electrical apprenticeship programme at CENTLEC Training and Development Centre. Training commenced in February 2010 for a period of two years.

Additional 251 learners have been selected and signed Learnership Agreements in February 2011 whereby 141 were selected for Civil Building and 110 learners were selected for Plumbing.

The Department has also funded the training of 501 youth through the Provincial Skills Development Unit Skills to Learnership Programme

1.8.3.4. Programme 4: Rural Development

National Rural Youth Service Corps

The "National Rural Youth Service Corps" (NARYSEC) is an initiative of the National Department of Rural Development and Land Reform driven by the Department of Public Works and Rural Development in the Free State Province.

This programme is developmental by nature and its focus is in rural areas. It addresses the challenges of skills development and unemployment among the rural youth. The Department of Public Works and Rural Development

as the coordinating department conducted interviews for the learners and a total of 663 learners were successful. Three hundred and forty youth participants commenced training on 1 February 2011 at the Thaba Nchu Training College. The participants are evenly distributed throughout the rural wards of the Free State. Further intakes will be in April and June 2011.

1.9. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

The external factors below hamper the Department's efforts towards accelerated service delivery:

Works Design, Construction and Maintenance
- Longer payment cycle to contractors in relation to public works construction and maintenance projects.

Property Management
- Maintenance backlog in all buildings.
- Budget shortfalls for rates and taxes payments, municipal services with regard to water, electricity, sanitation and refuse removal.

Expanded Public Works Programme
- Limited resources and under reporting by some public bodies.

Administration
- Shortage of *qualified, competent and experienced* artisans, engineers and other technical personnel such as architects, quantity surveyors, construction project managers, property specialists, risk management and monitoring and evaluation practitioners.
- Shortage of *professionally registered* mechanical and electrical engineers, technologists, technicians, quantity surveyors, architects and construction project managers with the relevant built environment councils.
- Difficulty in retaining experienced professionals in engineering related fields (architects, artisans, quantity surveyors, etc) due to lucrative offers by the private sector

1.10. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

The discussion below provides information on Departmental capacity (internal factors) that impact negatively on the overall performance:

Works Design, Construction and Maintenance
- Limited resources for the implementation of a sustainable contractor development strategy.
- Limited opportunities for graduates to gain practical experience and professionals to gain continuous professional development (mentorship programme).

Property Management
- Lack of skilled staff in property valuation, facilities management, estate agents and brokers.

Expanded Public Works Programme
- Limited coordination on EPWP implementation towards realization of EPWP targets.

Security Services
- Lack of security capacity in and around government property.

Administration
- Ageing workforce inclusive of artisans.
- Reclaiming of Public Works Mandate with its huge demand on supply chain management processes against the turnaround times warrant a review of bid process mapping and capacity building.

1.11. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENT

Departmental Mandate

There are no significant changes to the Department's legislative and other mandates. The focus of the Department of Public Works and Rural Development is on Infrastructure development in both urban and rural areas.

Key Policy Developments

The implementation of the Rural Development Framework Policy has been a priority during the year under review for the newly formed Department of Public Works and Rural Development. The Free State Provincial Government has taken the view that infrastructure is a major contributing factor towards rural development.

The department has renewed its focus within the Public Works Function to reclaim the Public Works mandate from client departments. In reclaiming the public works mandate, the Department, together with the Department of Education, has successfully transferred the capital works function to the Department in order to enhance and accelerate infrastructure delivery.

1.12. DEPARTMENTAL REVENUE, EXPENDITURE, TRANSFER PAYMENTS AND CONDITION GRANTS

1.12.1. Departmental Revenue

The table below indicates Yearly Revenue Targets and Actual Receipts:

Financial Years	Target Revenue (R'000)	Actual Revenue (R'000)	Over Collected (R'000)
2004/2005	201,000	213,605	12,605
2005/2006	215,501	240,194	24,693
2006/2007	251,487	267,650	15,401
2007/2008	287,593	294,705	7,112
2008/2009	15,831	18,088	2,257
2009/2010	8,125	7,092	(1,033)
2010/2011	9,570	9,764	194

The table below illustrates a breakdown of the sources of revenue:

Sources of Revenue (R'000)	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009		2009/ 2010		2010/ 2011	% Deviation from target
	Actual	Actual	Actual	Actual	Target	Actual	Target	Actual		
Sales of capital assets (Capital Revenue)	1,054	1,259	1,161	1,144	0	316	111	195	1,695	
Interest, dividend and rent on land	372	213	792	102	81	329	86	152	223	
Sales of goods and services other than capital assets	46,084	44,724	52,602	64,881	14,906	16,289	6,874	5,652	7,030	
Financial transactions (Recovery of loans and advances)	4,074	3,900	2,316	8,053	844	1,154	1,054	1,093	816	
Total Depart-mental Receipts	**213,605**	**240,194**	**267,650**	**294,705**	**15,831**	**18,088**	**8,125**	**7,092**	**9,764**	

1.12.2. Departmental Expenditure

The table below depicts how the actual expenditure differed from planned expenditure:

Budget Programmes	Voted for 2010/2011	Roll-overs and adjustments	Virement	Total Voted	Actual Expenditure	Variance
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	
Programme 1	74,569	3,851	(678)	77,742	69,930	7,812
Programme 2	817,916	77,146	1,801	896,863	881,913	14,950
Programme 3	27,644	27,172	661	55,477	48,211	7,266
Programme 4	28,196	6,551	(1,784)	32,963	27,347	5,616
Total	**948,325**	**114,720**	**-**	**1,063,045**	**1,027,401**	**35,644**

Measures to improve the economy and efficiency of spending on each programme.

- Monitoring on site by project managers and programme managers.
- Monthly Branch Bilaterals and Quarterly performance review meetings.
- Risk Management and Audit Committees operational.
- The Department initiated actions to assist Municipalities to identify and transfer or vest land used for provincial departments in the name of the Province. This will prevent reoccurrence of under spending on rates and taxes and assist municipalities with their cash flow position

1.12.3. Transfer Payments

Name of Institution	Budget (R'000)	Expenditure (R'000) Variance
Provinces and municipalities	222,386	222,376
Households	3,557	3,552

1.12.4. Transfer Payments Condition Grants

Grant allocation	Voted for 2010/2011	Roll-overs and adjustments	Total Voted	Actual Expenditure	Variance
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Devolution of Property rate fund	154,158	68,228	222,386	222,376	10
Infrastructure Enhancement allocation	29,339	7,000	36,339	32,564	3,775

1.13. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT

1.13.1. Capital Investment

Building projects currently being upgraded:

Hamilton offices and the Legislature Building (Fourth Raadzaal)

The current maintenance backlog and plans to deal with such over the Medium Term Expenditure Framework period.

- The funds available for planned maintenance of Provincial buildings are limited. For the past 3 years, the budget

increases were less than annual inflation. The maintenance budget for 2010/11 was R15,100,000. True estimates for maintenance needs relies on accurate condition assessments.

- Due to the exorbitant cost to do full condition assessments on buildings in the Free Sate, the Department prioritised full condition assessments to commence in 2011/2012 to be reviewed five-yearly. As an interim measure, the Department used the findings of condition assessments on 23 government buildings and 13 schools assessed in 2007. It is estimated that the total backlog in Free State Government building maintenance exceeds R1.2 billion.
- The Department started with implementation of the Government Immovable Asset Management Act (GIAMA). To-date, 10 client departments submitted their User Asset Management Plans (U-Amps) in which maintenance needs were identified.
- The in-house technical expertise was strengthened by recruitment and retention of certain technical and engineering skills in the department and in the province. More appointments will follow in 2011/2012.

Measures taken to ensure that the department's fixed asset register remain up-to-date

- Deed searches were done to confirm each land parcel and a printout was attached to each hard copy file.
- Vesting of 118 schools, 20 clinics and 6 other properties were confirmed in 2010/2011.
- Service providers were also contracted to compile data for Metsimaholo and Thaba Nchu areas.

The current state of the Department's capital buildings

The following values from previous condition assessments on the 36 buildings are still used to categorise current state of buildings:

Good	5%
Fair	40%
Bad	55%

1.13.2. Asset Management

Details as to how asset holdings have changed in 2010/2011

The total number of properties and land units on the asset register were reported as 13,036 properties.
Title deed printout confirmed 6,650 different land units. . Previous reports reflected duplications on buildings and land units. For example the land unit register reflected each of 20 flats in the same building as 20 properties instead of one land portion. The register was cleaned to report land units only. Vested properties that were already reported on the register previously do not affect the total number of the asset register.

Four properties were acquired, namely, Pietersdal office building at Clarens, Koffiefontein School and two properties to replace old MEC houses.

Thirty one properties were disposed off, 30 in Kenzietown and one Modulaqhowa in QwaQwa.

The current state of the department's building portfolio is illustrated as below:

The technical condition assessments performed on the 23 government buildings, reflect that 8 (35%) buildings are in a good condition and 15 (65%) in a fair condition. However, the badly vandalised and vacant properties were not included in the survey.
The Department will start condition assessments and verification of the number of buildings on each land unit during 2011/2012 as Government Immovable Asset Management Act (GIAMA) makes provision for completing condition assessments by 2014. Estimates of conditions and cost for repairs of buildings will only be done after a representative sample of all the buildings are completed.
Although the completed condition assessments shows only 35% of building in a good state and 65% in fair condition, the Department has some badly vandalised and dilapidated buildings.

The following table reflects the estimated condition of state owned buildings:

Departments	Condition of State Owned Buildings (Number and Percentage)										Total
	Very Good		Good		Fair		Poor		Very Poor		
Education	5%	137	30%	822	52%	1,425	10%	274	3%	82	2,741
Health	5%	17	30%	102	52%	176	10%	34	3%	10	339
Others	5%	74	30%	442	52%	765	10%	147	3%	44	1,472
Unutilized or land (Rural and vacant)	5%	105	30%	629	52%	1,091	10%	210	3%	63	2,098
Total	**5%**	**333**	**30%**	**1995**	**52%**	**3,458**	**10%**	**665**	**3%**	**200**	**6,650**

The immediate maintenance need for the 23 buildings that were subjected to condition assessments was calculated as R67,800,000. (2007 year figures), that was R2,950,000 per building. In addition to this immediate maintenance need, followed regular preventive maintenance. These condition assessments excluded large complexes such as hospitals and schools and also small properties such as houses and vacant land.

If the 2,741 Education, 339 Health and 2,098 other buildings are used as a guide for budget need, it is estimated that the total immediate need for building maintenance for 4,878 properties at R2,950,000 per property equals R14,4billion maintenance need. (This figure can only be confirmed after condition assessments and technical inspections are completed).

Works Construction and Maintenance projects that will commence in 2011/2012

- New Social Development office Building (KGI) Kroonstad
- Hamilton office building.

1.13.3. Maintenance of Movable Asset Register

Services providers appointed to assist the Department with verification and reconciliation of all movable assets. 90% movable assets are bar coded and physically verified and remaining 10% is investigated.

PART B: SUMMARY OF PROGRAMMES AND SERVICE DELIVERY ACHIEVEMENTS

ANNUAL REPORT

2010 - 2011

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PROGRAMME PERFORMANCE: SUMMARY OF PROGRAMME AND SERVICE DELIVERY ACHIEVEMENTS - Year Ended 31 March 2011

Part B presents a summary of each programmes' performance for the 2010/2011 financial year in relation to the implementation of the strategic objectives against the budget. For each programme, the report below outlines the purpose, strategic goals, strategic objectives, service delivery achievements and progress on risk management.

2.1 PROGRAMME 1: ADMINISTRATION

Purpose

The aim of the Administration Programme is to provide the Department with administrative, strategic, financial and corporate support services in order to ensure that it delivers on its mandate in an integrated, efficient, effective and sustainable manner.

The Programme consists of the following Sub-Programmes:

- Office of the MEC
- Management of the Department
- Corporate Support:
    - Sub-sub-programme Corporate Services
    - Sub-sub-programme Finance
    - Sub-sub-programme Research, Monitoring and Evaluation
    - Sub-sub-programme Internal Audit and
    - Sub-sub-programme Legal Services

Strategic Goal and Strategic Objectives:

Strategic Goal 1*:* A working environment geared towards improved service delivery

Strategic Objectives:

1.1. Create and sustain a working environment conducive to improved service delivery
1.2. Strengthen leadership and the development of personnel
1.3. Create and sustain a performance culture within the department
1.4. Ensure compliance to principles of good governance

2.1.1. Sub Sub-Programme: Corporate Services

Strategic Objective 1.1: Create and sustain a working environment conducive to improved service delivery

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Human Resource Management			
Number of people with core skills appointed to reduce the vacancy rate in scarce occupations.	22	141	To fast-track service delivery, 141 appointments/promotions were made during the year under review. These include: · Technical appointments. · Core technical skills · Tradesmen upgraded to Artisans.
Number of employees appointed to address disability	5	0	Inadequate applications from the disabled fraternity.
Number of employees appointed to address gender representativity on levels 9-14.	10	10	10 females were appointed to address the gender mainstreaming includes: Chief Fin Officer, Chief Director Rural Development, 5 X Deputy Directors: Service Delivery Improvement; Office Manager in the Head of Department; Communication; Property and Rural Development, 2X Candidate Quantity Surveyor and 1X Candidate Civil Engineer
Number of employees appointed in terms of youth	30	124	
Communication			
Number of Departmental Buildings with improved external or internal corporate signage	4	5	Signage installed in QwaQwa, Kroonstad and Hamilton Works Offices, Property Management (Zana 1) and EPWP (Zana 2) buildings.
Number of employees in possession of name tags	1,350	2,167	The mandate of the Department changed to Public Works and Rural Development, as a result the over achievement was due to replacement for the newly established department.
Number of outreach programmes – marketing of departmental projects to communities	20	17	**The following Activities were coordinated to market the department** · Evacuation Drill at Provincial Government Building held with all role players (Health, SANDF, Air force, etc.) and media coverage was electronic and printing nature. · Booklets and other promotional material including flyers, one-on-one interaction, exhibition regarding the Department's vision, mission, values, objectives and programmes to members of the community during National Council of Provinces visit in Maluti-A-Phofung Municipality. · World Aids Day commemoration. · Department promoted HIV Counseling Testing Programmes. · Outreach programmes in Viljoenskroon, Sasolburg, Villiers, Thaba Nchu and Thabo Mofutsanyana District · Bring a girl-child to work in Clarens. · Women in Construction Awards. · Distribution of jackets and blankets to the elderly in Fezile Dabi and Thabo Mofutsanyana districts.

Strategic Objective 1.1: Create and sustain a working environment conducive to improved service delivery

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Employee Health and Wellness			
Number of interventions done on components in terms of health risk profiling	15	9	Working together with GEMS and the Department of Health 370 employees were tested during the year under review to screen diseases like Cholesterol, Glucose, Blood Pressure and HIV/Aids.
Reduction in number of staff members: · Using incapacity leave (Benchmark: 5%)	<105	12	The incapacity leave of only 12 employees were approved by SOMA. The 12 employees were booked off 569 days.
· Discharged due to ill health (Benchmark: 0.5%)	<11	4	The discharge of 4 employees due to ill health was approved by SOMA.
Number of interventions in place for special groups involving women, youth and people living with disabilities	4	6	Involved in the recruitment programme of National Youth Service Programme and National Rural Youth Service Corps. Bring a girl-child to work and bursaries awarded. Supporting the World Festival on Youth and Students.
Information Communication Technology Connectivity:			
Number of employees connected to the ICT network (access to e-mail & internet)	260	345	Officials from Education added to our department's increased number of officials connected to the network.
Number of offices connected to the ICT network (access to e-mail & internet)	7	10	Offices from Education added to our department's increased number of offices connected to the network.

Strategic Objective 1.2: Strengthen leadership and the development of personnel

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Human Resource Management			
Number of Competency Acquisition Programme expanded to critical occupations.	2	3	Internal Audit Learnership Programme commenced early October 2010. The second intervention relates to acquiring professional registration of departmental scarce skills occupations. Project regarding Tradesman Aids with regards to RPL commenced in November 2010. This intervention will be added to the actual outputs when training commences. Part-time bursaries for employees for the 2011 academic year were advertised and closed on 15 October 2010. 154 part-time bursaries approved during December 2010.
Number of collective training interventions implemented as part of Workplace Skills Plan.	5	6	Basic Computer Training Batho Pele Train the Trainer Batho Pele Change Management Health and Safety Training Project Khaedu Deployment Public Service Induction Levels 6-12 Mass Induction Programme Levels 1 – 5

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Human Resource Management			
Number of collective training interventions implemented as part of Workplace Skills Plan.	5	6	Code of Conduct, Fraud Prevention Risk and Fraud Management Anti-Corruption Public Service Fraud Prevention Mentoring and Coaching Project Management Report Writing Office Administration HIV/Aids Mass Induction Programme Levels 1 – 5 & 6 – 12 Performance Development Management System Training Monitoring and Evaluation in Government Records Management and Filing Systems in Government Introduction to HRM Introduction to Persal Labour Relations Training Finance for non Financial Managers Persal (Gap Training)

Strategic Objective 1.3: Create and sustain a performance culture within the Department

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Human Resource Management			
Organisational Effectiveness Surveys.	1	1	Project Khaedu team were deployed at Supply Chain Management to assess the effectiveness in relation to procurement process with a view to accelerate service delivery. Intervention measures being put in place to improve procurement process and consequently, customer satisfaction..

Progress on Risk Management: Sub-Sub Programme: Corporate Services

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Human Resources Management									
Limited budget to cater for all skills development interventions	4	4	**16**	Top slice funds for training	3	4	**12**	Prioritise training in accordance with Workplace Skills Plan.	Internal Audit Learnership Programme in place. Five collective training interventions implemented
								Utilise recognition of prior learning to decrease number of required unit standards.	Project on Tradesman Aids with regards to Recognition of Prior Learning commenced in November 2010.
Limited skilled staff in core business.	4	4	**16**	Recruitment and Retention Plans in place. Bursaries & Training	3	3	**9**	Professional and technical staff to register with professional bodies.	Professional registration of Departmental scarce skills occupations.
								Adjust Departmental structure to provide for Rural Development.	Interim organisational structure approved. Being consulted with Department of Public Service Administration
Employee Health and Wellness									
Impact of HIV/ Aids and other conditions on human capital.	5	5	**25**	Departmental HIV/Aids programmes.	4	4	**16**	Health Risk Manager in place.	Information sessions were conducted in all districts. HIV Counselling and Testing promoted
								Health awareness programmes.	
Communication									
Delayed distribution of information internally.	5	4	**20**	E-mails. Re A Bua.	5	4	**20**	Monthly Internal newsletters. Information sessions	Booklets and other promotional material (flyers, one-on-one interaction, exhibition) on Departmental vision, mission, values, objectives and functions given to members of the community during NCOP sitting in Maluti--A-Phofung Municipality.

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Information Communication Technology									
Slow IT response time.	5	4	**20**	Request log database. All problems reported are logged, responded and monitored on a database.	4	3	**12**	Procurement of Columbus software (help desk and remote management system)	Officials from Education added to our department's increased number of officials connected to the network.
Establishment of new IT service which may lead to loss of critical information.	4	4	**16**	Approved IT implementation plan	3	3	**9**	Run dual system Employ test runs prior to switching over.	A budget to the value of R8,955m granted to procure and install software and format any computer. Test runs effected successfully. IT asset replacement policy in place.
Programmed replacement of IT equipment of users.	4	4	**16**	Develop IT asset replacement policy.	5	4	**20**	Centralised IT budget	

2.1.2. Sub-Sub Programme: Research, Monitoring and Evaluation

Strategic Objective 1.3: Create and sustain a performance culture within the Department

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Research and Development			
Number of completed research reports.	2	2	Study on Contractor Development Programme completed. Findings include late payments of contractors, lack of mentoring, poor periodic monitoring and late issuing of cession letters to contractors. External service provider being solicited for data analysis and report writing for objectivity. A study on the level of general cleanliness in government buildings was conducted and finalized. The purpose was to evaluate the level of cleanliness focussing on Lengau Testing Station, Free State Provincial Government and Lebohang buildings.
Number of best practices introduced.	2	2	Benchmarking on best practices for the following was done: Asset Register Energy Saving Measures
Strategic Planning, Monitoring and Evaluation			
Number of operational staff informed on departmental strategy and Batho Pele principles	500	536	536 officials have been informed on Departmental strategy as follows: Employees at Cleaning and Security services were informed about Batho Pele principles in relation to Service Delivery Improvement Implementation Plan with an aim to improve Service and customer relations. Information sessions were conducted for Works Maintenance, SCM, EPWP and Cooperate services to inform them of the Departmental Strategy and customer care.

Progress on Risk Assessment: Sub-Sub Programme: Research, Monitoring and Evaluation

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Strategic Planning, Monitoring and Evaluation									
Non adherence to inputs target date or/ time frames	4	5	**20**	Contact sessions with specific directorates to discuss input a day before input due date	3	5	**15**	Train report coordinators Information sessions on monitoring and evaluation	Contact sessions were held with all line managers to guide them to ensure that the reports provide detailed progress on all policy initiatives; MEC's Injunctions and projects were relevant. Managers are encouraged to make constant follow up to ensure that all objectives are achieved.
Research and Development									
Non cooperation by other units on research matters	3	5	**15**	Scan of the activities of other units which have policy impact. Engagement of the units.	3	5	**15**	Bilateral engagements with other units on policy/impact imperatives.	Desktop research was conducted Cleaning Services to assess level of service delivery.

2.1.3. Sub-Sub Programme: Legal Services

Strategic Objective 1.3: Create and sustain a performance culture within the Department

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Percentage of requests for legal opinions responded to within 7 days.	100%	100%	Total of 69 request for legal opinions responded to within 7 days.
Number of legal contracts facilitated	50	141	Legal contracts facilitated on property related matters
Number of legal contracts monitored	50	141	Existing legal contracts on lease and rental agreements monitored.

Progress on Risk Assessment: Sub-Sub Programme: Legal Services

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Some current contracts do not sufficiently protect the interests of the department	5	5	**25**	Revising all current contracts	4	5	**20**	Scrutinize all new contracts before HOD approval	Contract are now being forwarded to Legal Services prior approval
Increase in exorbitant claims against the Department	5	5	**25**	Assess legal liability on individual claims	4	5	**20**	Advice line manager to prevent reoccurrence	Managers advised on contract management
								Report to Departmental Executive meeting	Reports on contract management presented to Departmental Executive meetings and Executive Council.

2.1.4. Sub-Sub Programme: Finance

Strategic Objective 1.4: Ensure compliance to principles of good governance

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Financial Management			
Percentage payments processed to supplier/contractors within 30 days.	100%	98%	98% of payments have been affected within 30 days. Internal logistics in relation to the timeframe from issuing of the request memo to the processing of the payment still poses a challenge
Budgeting, Revenue and Expenditure Control			
Amount of revenue collected*	R8.604m	R9.151m	Increase in parking tariffs were implemented in November 2010 backdated from July 2010 and one property was sold in Qwaqwa, hence over achievement

Progress on Risk Assessment: Sub-Sub Programme: Finance

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Financial Management									
Fraud in Finance processes	4	5	**20**	Treasury reporting model Improved supervisory control	3	4	**12**	Internal audit checks	Financial Control and Internal Audit checks are in place

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Financial Management									
Errors in reports due to mis-communication between different systems	3	5	**15**	Control checks and reconciliations with BAS, Persal, Logis and Vulindlela	2	4	**8**	Monthly reporting on reconciliations	87% in relation to Key Performance Indicators.
Inaccurate salary expenditure	4	3	**12**	Monthly reconciliations pay roll controls Segregation of duties	2	3	**6**	Monthly control checks by supervisors	Monthly reconciliations – PERSAL vs. BAS
Budgeting, Revenue and Expenditure Control									
Undue deviations in budgets and cash flows	4	4	**16**	Monthly formal and regular informal reports Contact sessions with responsibility managers	3	3	**9**	Training all managers to take responsibility for their budgets.	Financial managers provide monthly management reports to responsibility /objective managers Monthly procurement plans being utilised to Directorates; monthly cash flow
Supply Chain Management									
Fruitless expenditure on interest paid due to delays in paying suppliers within 30 days	4	5	**20**	Monitor and report on payment cycle Suppliers paid within 10 days after the receipt of invoice.	3	5	**15**	Proactive identification of outstanding orders	Awareness campaigns conducted.
Fraud in SCM processes	4	5	**20**	Use of Database and Bid committees Installation of 24 hour surveillance cameras	3	4	**12**	Internal audit checks	Sub evaluation committee fully functional

2.1.5. Sub-Sub Programme: Internal Audit

Strategic Objective 1.4: Ensure compliance to principles of good governance

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Strategic and Operational Risk Assessments plans facilitated.	2	2	Risk register in place and measures for improvement being implemented to ensure achievement strategic objectives.
Number of audit performed at identified high risk areas	12	15	Compliance audits performed at high risk areas to assess control effectiveness of controls.
Number of follow up audits performed	5	2	Follow up audits performed at Legal and Security Services
Number of high risk findings addressed	5	18	All issues raised on audit opinion addressed and measures put in place to prevent recurrence.

Progress on Risk Assessment: Sub-Sub Programme: Internal Audit

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Qualification (Not all recommendations on compliance audits implemented by some units)	5	5	**25**	Follow-up audits Risk management training for line function	3	4	**12**	Tabling of non-compliance to the audit Committee An agenda item in Quarterly reviews	Action plan was developed and measures put in place to address compliance matters..
Limitation of scope (e.g. source documents not submitted timeously delaying the completion of audit)	5	5	**25**	Follow up if deadlines not met Involve higher authority	3	4	**12**	Awareness sessions on audit process Disciplinary action	Information sessions on internal audit processes and its importance held with compliance audit for each business areas are being assessed for compliance.

2.2. PROGRAMME 2: PUBLIC WORKS

Purpose

The aim of the programme is to provide accommodation for all provincial departments, manage the provincial property and asset portfolio for the optimum benefit of government and render professional and technical services to client departments in respect of buildings and related infrastructure.

The Programme consists of the following Sub-Programmes:

- Programme Support Office
- Works Design, Construction and Maintenance and
- Property Management
- Security Administration

2.2.1. Sub Programme: Works Design, Construction And Maintenance

Purpose

The sub-programme is responsible to design and construct new facilities and to upgrade, rehabilitate and maintain existing facilities as identified in consultation with the Client Departments namely, Education, Health, Social Development and others. The Department of Public Works and Rural Development is the implementing agent of the provincial departments with regard to construction and maintenance of provincial infrastructure. Infrastructure budgets of all client departments are shown at the relevant departmental votes and therefore the budgets and projects of client departments are not included in this department's budget.

Strategic Goal and Strategic Objective:

***Strategic Goal* 2**: A transformed and effective construction industry that promotes government's objectives

Strategic Objective:

2.1 Create an enabling environment that facilitates and promotes sustainable infrastructure investment in the Free State Province.

SERVICE DELIVERY ACHIEVEMENTS WORKS DESIGN, CONSTRUCTION AND MAINTENANCE
For the year ended 31 March 2011

Strategic Objective No 2. 1: Create an enabling environment that facilitates and promotes sustainable infrastructure investment in the Free State Province

<table>
<tr><th>Performance Indicators</th><th>2010/11 Targets</th><th>2010/11 Actual Outputs</th><th>Comments on achieved Targets</th></tr>
<tr><td>Number of projects completed.</td><td>28</td><td>23</td><td>In 2010/2011, 28 capital projects were targeted to be executed of which 23 projects were completed as indicated in the table below:
<table>
<tr><th>Department</th><th>Completed Projects</th></tr>
<tr><td>Education:</td><td>· Gonyane Prim (Major renovations and 26 additional classrooms)
· Thaba Nchu: Refentse Prim (new school: 26 classrooms)
· Tshiame: Kgetha Tsebo Sec (new school: 30 classrooms)
· Harrismith: Tsebong Ulwazini Prim (Major renovations and. 26 additional classrooms)
· Sasolburg Sakubusha New School</td></tr>
<tr><td>Economic Development, Tourism& Environmental Affairs :</td><td>· P Sanders Contract 7A: Electrical reticulation
· P Sanders Contract 1B: Entrance Gate and Reception
· P Sanders Contract 5B: Civil Infrastructure, roads and walk ways
· P Sanders Contract 3: Conference Facilities & restaurant
· P Sanders Contract 2: New Chalets</td></tr>
<tr><td>Public Works & Rural Development:</td><td>· Minor Renovation to 4th Raadzaal Phase 1</td></tr>
<tr><td>Health</td><td>· Boitumelo Contract 13: New workshops and EMS
· Boitumelo Contract 11: hall, Lecture room, wards.
· Bfn Mortuary: New forensic mortuary
· Heilbron Tokollo: Final Phase Upgrade</td></tr>
<tr><td>Agriculture</td><td>· Glen Phase 2 Tender 2 & 6: IPJ Hall, Verbeeck Building lecture room and furniture 6 houses old MEC block & store
· Glen Phase 2: Tender 3H Block Flats</td></tr>
<tr><td>Sports, Arts, Culture and Recreation</td><td>· FSSSI Boxing: New building Talent Development
· FSSSI Facade & Parking: Upgrade existing infrastructure
· FSSSI Finance office: Alterations to existing hostel into finance office.
· FSSSI Clubhouse: Alterations to existing building into clubhouse
· Edenville Library
· Philippolis Library</td></tr>
</table>
</td></tr>
</table>

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of projects completed.	28	23	Reasons for under performance on the five projects resulted from: **Elizabeth Ross Hospital** Practical completion was not done as planned; due to the increase of scope of work by Department Health **Thebe Hospital** Practical completion was not done as planned, due to the increase of scope of work by the client Department Health. **Pelonomi Hospital: Radiology & Link** The extension of time for 23 months was granted for additional work that was not included in the original contract **Boitumelo Hospital** Contract 11 Lecture room, Hall and wards. Completion date was Feb 2010 but the delay in payments by client dept (Health) resulted in completion date being revised to end May 2010. **Christian de Wet New Hostel** Christian De Wet Hostel not completed on time due the change of original scope of work by the client department
Number of BBBEE contractors participating in works infrastructure projects.	18	31	Total bids awarded to Historically Disadvantaged Individuals equals to 31 which is 72% of the total bids awarded.

Progress on Risk Assessment: Sub Programme: Works Design, Construction And Maintenance

Strategic Risk Identified	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Late contractors' payments by client departments	5	4	**20**	Monthly forum meetings with clients Appointment of Project Managers	5	4	**20**	Service Level Agreements	Monthly Infrastructure meetings held. Though delay in contractor payment. Service Level Agreements were signed for Education and Health.
Contractors' access to funding by financial institution	5	5	**25**	Negotiations financial institutions	5	5	**25**	Negotiations with SMME desks of financial institutions	Negotiations with banking institutions were facilitated.

Strategic Risk Identified	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Poor capacitated contractors Quality of people - Suitably trained and skilled artisans (tillers, plumbers, experienced foremen	5	4	**20**	Enlistment of Construction Industry Development Board grading of contractors Workshops by Construction Industry Development Board to assist with grading of contractors and suppliers	4	4	**16**	Facilitate a conductive environment for contractors to be trained.	CIDB workshops were conducted in all five districts.
Shortage of material and inconsistency of batches from suppliers	5	4	**20**	Material testing built in Bill of quantities done on site	4	4	**16**	Bulk buying and negotiate with suppliers on identified material.	Negotiations with suppliers to prioritise contractors from HDI's background.
Escalation of building material cost	5	5	**25**	Hayllet formula used to mitigate inflation	5	5	**25**	Shorten payment cycle to contractors	Payment cycle shortened to improve contractors' cash flow and their buying power.

Progress on Works Design, Construction and Maintenance Projects

Project Description	2010/2011 Budget	Expenditure	% Progress on site
Projects under Design			
Construction of New Office Building Phase 2 and Infrastructure enhancement New office block to accommodate Department of Public Works and Rural Development and Corporative Governance and Traditional Affairs 01/04/2009 - 31/03/2015	R23,817m	R23,714m	Design 100% complete. Project registered as Public Private Partnership
Social Development: Upgrade Office building Cross Street Kroonstad. 01/04 2009 - 31/03/2012 Refurbishment of existing office building.	R4m	R3,601m	Design 100 % complete
New Legislature Building (Ramkraal Prison)	R15m	R11,260	Design 30% complete. Project registered as PPP
Projects under Construction			
Upgrade Harrismith Testing Centre The finalized facility will consist of a full testing centre, (demolish work, new office building ,vehicle and license testing facility) 03/02/2009 - 26/01/2011 Contract Value: R43 m	R15,339m	R15,319m	Progress 52% complete. Paving bricks to be tested. Ceilings to be fitted with storm clips and damaged ceilings to be replaced
Upgrading of the Legislature 4th Raadzaal Phase 2 Upgrade of security and structure. R8.3m 27/07/2010-31/07/2011	R3,444m	R3,169m	Progress 34,4% complete.
Upgrade Bethlehem Testing Centre 01/12/2009 - 31/03/2012 Contract Value of terminated contract: The finalized facility will consist of a full testing station, (demolish work, new office building ,vehicle and license testing facility	R7,661m	R7,658m	0% complete. Project held back due to litigation. Funds shifted to other priorities

2.2.2. Sub Programme: Property Management

Purpose

The sub-programme is responsible to manage the property portfolio of the province, provide accommodation for all provincial departments and other institutions as well as acquisition and disposal of land and property.

Strategic Goal and Strategic Objective:

Strategic Goal 3: Effective property management and accelerated Historically Disadvantaged Individuals access to the property industry.

Strategic Objectives:

3.1. Create an enabling environment for sustainable investment in property in the Free State
3.2. Manage provincial government owned and leased immovable assets effectively

Strategic Objective No 3.1: Create an enabling environment for sustainable investment in property in the Free State

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Property Portfolio			
Number of entrepreneurs created through Introduction of the Property Incubation Programme.	10	2	The Property Incubator Programme (PIP) is an enterprise development initiative that seeks to provide entry and growth of black-owned enterprises into the property industry. The selection of 100 participants will be finalised once the facilitator company has been appointed.
50% of Total Lease expenditure awarded to Historically Disadvantaged Individuals.	R60m	R42,023m	There are few black people who operate in the property market and most of them lack financial support. As a result, 29,5% lease expenditure was awarded to HDI & BEE.

Strategic Objective No 3.2.: Manage Provincial Government owned and leased Immovable Assets effectively

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Property Portfolio			
Enhancement of Asset Register:			Each land unit was verified with a deed search and files opened.
Number of properties acquired	2	4	Pietersdal, Koffiefontein School and two MEC houses.
Number of properties disposed	40	31	30 houses from Kenzietown and one from Modulaqhowa disposed. The disputes on ownership and a fair price for Kenzietown housed delayed the disposal process.
Number of properties discovered to be vested	149 schools	118	Metsimaholo schools were only transferred after 2010/2011 year
	107 Clinics	20	20 Clinics and six other properties which includes Hospital and other land. Resubmission and verifying previous submissions that were not yet registered at deeds office delayed the process.
Number of properties maintained:			
Planned maintenance(Estimates)	5	6	Lebohang the air condition system, office of DDG, CIDB office, Medfontein, water problem at Kopano Hospital, securing Nurses Home at Voortrekker Hospital. QwaQwa Works offices
Day to day maintenance	20	20	All public works buildings were maintained when emergencies struck. e.g burst water pipes, broken garage doors, dysfunctional gate motors, and security at MPL houses. Gardens and security was also maintained.
Number of buildings fitted with energy saving devices	20 Estimated at 145 not to be disposed	35	Appointed an ESCO for energy saving measures in 3 buildings, implementation will follow in 2011/2012.
Number of buildings complying with Health and Safety requirements	120 Owned 135 Leased	21	21 owned and 25 leased buildings were inspected. Deficiencies are reported but availability of funds still prevents full implementation. Appointment of more technical officials will expedite inspections in the new financial year.

Public Works Sector Specific Performance Indicators – Non-Financial Data MTEF 2010/2011

Performance Indicators: Property Portfolio - State Owned Portfolio	2010/2011 Targets	2010/2011 Actual Outputs
Department of Education		
Number of properties (land) owned	450 (5%)	2,557
Number of vacant urban properties (land) owned	14	0
Number of unutilised rural properties (land) owned	0	0
Number of hectares of land owned	13,110	Unknown
Number of properties with buildings owned	436	2,557
Number of square metres of buildings owned (Not Captured)	0	3,402,013m^2
Department of Health		
Number of properties (land) owned	88	335
Number of vacant urban properties (land) owned	0	0
Number of unutilised rural properties (land) owned	0	0
Number of hectares of land owned	993,593	Unknown
Number of properties with buildings owned	88	335
Other Client Departments		
Number of square metres of buildings owned (Not Captured)	0	413,263
Number of properties (land) owned	624	13,000
Number of vacant urban properties (land) owned	32	88
Number of unutilized rural properties (land) owned	8	584
Number of hectares of land owned	41,417	497,689 ha
Number of properties with buildings owned	584	1,015
Number of square metres of buildings owned (Not Captured)	0	0
Indicators: Property Portfolio - Leased Portfolio		
Department of Education		
Number of properties (land) leased	21	0
Number of hectares of land leased (Not Captured)	0	0
Number of buildings leased	21	22
Number of square meters of buildings leased	39,221	39,281
Department of Health		
Number of properties (land) leased	18	0
Number of hectares of land leased(Not Captured)	0	0
Number of buildings leased	18	15
Number of square metres of buildings leased	23,286	22,622
Other Client Departments		
Number of properties (land) leased	105	10
Number of hectares of land leased (Not Captured)		1
Number of buildings leased	85	83
Number of square metres of buildings leased	69,462	67,868

Strategic Objective No 3.2.: Manage Provincial Government owned and leased Immovable Assets effectively

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Operational Property and Housekeeping			
Amount of revenue collected	R8,604m	R6,204m	Revenue collected from dwellings amounts to R4,082m and R2,122m from parking.
Number of buildings installed with pre-paid electricity metres in leased out properties	100	35	35 Buildings installed with prepaid electricity metres in leased out properties. Prepaid meters in houses hampered by the tenants who are in arrears.

Progress on Risk Assessment: Sub Programme: Property Management

Strategic Risk Identified	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Property Portfolio									
Payment of expired contracts due to non renewing expired contracts on time	5	4	**20**	Listing and tracking contracts	3	3	**9**	Transparent system and tracking list auto reporting	Management of contracts intensified and monitored.
Valuations on expired rented out buildings	5	4	**20**	Scheduled valuation program	5	4	**20**	Develop Policy	Policy was compiled and submitted for legal opinion
								Utilise Property Incubator Programme interns	The selection of 100 participants will be finalised once the facilitator company has been appointed.
Operational Property & Housekeeping									
Not all municipalities are submitting invoices on time (Late receipt of utilities invoice)	3	5	**15**	Regular update of the Utility register More visits and contact with municipalities	1	4	**4**	Improved utility register	In a process to reconcile the Asset, Rates & Taxes, Services register and Municipal records.

Strategic Risk Identified	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Operational Property & Housekeeping									
Disease outbreak as a result of poor hygiene of the buildings	4	5	**20**	Daily thorough cleaning and inspections Implementation of cleaning norms and standards	3	3	**9**	Procure cleaning equipment.	Cleaning equipment procured. Weekly supervision is done per floor. Regular In-house training is done to ensure that cleaners work according to Norms and Standards
Under collection of revenue	5	4	**20**	Signed service level agreements and leased agreements	5	4	**20**	Eviction of illegal and defaulting occupants	Stop orders for all new contracts signed.
Service cuts due to non payment	4	5	**20**	Timeous payments Reconcile payments (BAS vs Budgeted) Budget forecasting	4	3	**12**	Negotiate for increased budget	In a process to reconcile the Asset, Rates & Taxes, Services register and Municipal records

2.2.3. SUB-SUB PROGRAMME: SECURITY SERVICES

Purpose
The mandate of this sub-sub programme is to provide a safe and secure environment.

Strategic Goal and Strategic Objective:

Strategic Goal 3: Effective property management and accelerated Historically Disadvantaged Individuals access to the property industry.

Strategic Objective: Provide a safe and secure environment

Strategic Objective No 3.3: Provide a safe and secure environment

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of security appraisals conducted	35	44	44 Security assessments conducted at Political Office Bearers residences and strategic events.
Conduct security risk assessments	60	75	75 Security audits conducted at various facilities and events.

Progress on Risk Assessment: Sub-Sub Programme: Security Services

Strategic Risk Identified:	Likely-Hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-Hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Loss of life	2	2	4	Proper Access control	4	4	**16**	Integrated Security System	· Unannounced evacuation drill conducted. · Evacuation floor marshals nominated for main buildings to manage evacuation plans. · Physical access control maintained. · Security scanners introduced
Increased incidents of theft	5	3	15	Manual Access Control	4	2	**8**	Integrated Security System	· Vehicles searched at entrances. · All goods that enter and exit the building are searched. · All reported criminal cases are investigated.
Leaking of classified information	4	4	16	Vetting of Top Management	4	3	**12**	Awareness campaigns	· Continuous screening and vetting is done. · Security awareness campaigns are held to various business areas.

2.3. PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Purpose

The programme is responsible to manage the implementation of programmes and strategies that leads to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Public Works Programme.

The Expanded Public Works Programme has been identified as a strategic intervention designed to make a significant contribution to reducing unemployment and providing livelihoods for the poor, women, youth and people with disabilities in the Free State Province. The EPWP involves interventions in four sectors, namely: Infrastructure; non-state, Environment and Culture sectors.

The Programme consists of the following Sub-Programmes:

- Programme Support
- Community Development
- Innovation and Empowerment
- EPWP Coordination and Monitoring

Strategic Goal and Strategic Objectives:

Strategic Goal 4: Massification of Expanded Public Works Programme to create jobs and alleviate poverty.

Strategic Objectives:

4.1. Mobilize all stakeholders towards the successful implementation of the EPWP
4.2 Co-ordinate the implementation of the EPWP within the Free State Province
4.3 Monitor and evaluate the impact of EPWP in the Province

Community Development Sub Programme

Strategic Objective No 4.1: Mobilise all stakeholders towards the successful implementation of the EPWP

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of stakeholders participating in the EPWP:			
– Municipalities.	14	14	All 24 municipalities are participating in EPWP, i.e. 10 municipalities participated in 2009/2010 and 14 in 2010/2011
– Provincial departments.	9	9	
– National departments.	5	5	
Number of EPWP projects implemented by sectors.	500	1,963	

Strategic Objective No. 4.2: Co-ordinate the implementation of the EPWP within the Free State Province

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of EPWP job opportunities created:	20,544	41,804	The number of work opportunities created has increased because: · More public bodies and municipalities are now reporting and · Sector departments and municipalities are given Incentive Grant as a reward for reporting.
40% Youth employed	8,217	26,754	
55% Women employed	11,299	25,082	
3% People with disabilities employed	616	168	

Innovation and Empowerment Sub Programme

Strategic Objective No. 4.2: Co-ordinate the implementation of the EPWP within the Free State Province

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of Emerging Contractors participating in Works projects.	132	71	· Contractor Development Programme was not implemented on works infrastructure projects because of transition of training mandate from the department of labour to the department of higher education.
Number of New Venture Learnerships created.	30	30	· 30 new business ventures managed by young entrepreneurs from Historically Disadvantaged Individuals have been created in all five districts.
Number of unemployed National Youth Service participating in Works projects	393	765	· 14 Learners are undergoing Electrical apprenticeship programme at CENTLEC Training and Development Centre for a period of two years and the training commenced in Februarie 2010, · 251 Learners have been selected and signed Learnership Agreements in February 2011. · 141 Learners were selected for Civil Building and 110 Learners for Plumbing. · The Department has also funded the training of 501 youth through the Provincial Skills Development Unit Skills to Learnership Programme

Coordination and Monitoring Sub Programme

Strategic Objective No 4.3: Monitor and evaluate the impact of EPWP in the Province

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of work opportunities created per sector:			
Infrastructure Sector			
Number of full time equivalent work opportunities	9,657	14,860	The number of work opportunities created has increased because: · More public bodies and municipalities are now reporting and · Sector departments and municipalities are given Incentive Grant as a reward for reporting.
Number of EPWP work opportunities created.	3,974	12,231	

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Social Sector			
Number of full time equivalent work opportunities	6,427	6,199	· More public bodies and municipalities are now reporting and · Sector departments and municipalities are given Incentive Grant as a reward for reporting.
Number of EPWP work opportunities created.	4,681	9,360	
Environment and Cultural Sector			
Number of full time equivalent work opportunities	4,460	1,945	
Number of EPWP work opportunities created.	1,071	6,859	

EPWP – National Public Works Sector Specific Performance Indicators

Strategic Objective No 4.3: Monitor and evaluate the impact of EPWP in the Province

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of learners in the Contractor Development Programme	132	71	Contractor Development Programme was not implemented on works infrastructure projects because of transition of training mandate from the department of labour to the department of higher education.
Number of employment days created (refers to Person-Years of Employment created EPWP National Reporting Template)	0	16,358	The duration of the projects being implemented by Public Bodies, budget and estimated jobs opportunities to be created per project influence the number of employment days created
Performance Indicators	**2010/11 Targets**	**2010/11 Actual Outputs**	**Comments on achieved Targets**
Number of EPWP work opportunities created	20,544	41,804	The number of work opportunities created has increased because more public bodies and municipalities are now reporting Sector departments and municipalities are also given Incentive Grant as a reward for reporting.
Number Youth employed	6,163	26,754	
Number Women employed	8,217	25,082	
Number people living with disabilities employed	411	168	The underperformance is due to reluctance of the people living with disabilities to disclose their condition to avoid being excluded from the programme including the nature of the projects.
Number of people trained	7,000	34,799	More public bodies and municipalities are now reporting and are prioritising training on their projects

Progress on Risk Assessment: Programme: Expanded Public Works Programme

Strategic Risks Identified:	Likely-hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Credibility of information. Monitoring of EPWP throughout the Free State.	5	5	25	Web based reporting. Validation.	4	5	**20**	Awareness workshops with sectors and municipalities	Management Information System & Web Based System training were conducted for public bodies. Conducted Road shows for municipalities National Public Works conducts data validation on both systems.
Co-ordination not leading to results.	3	3	9	Monitoring. Technical Support.	4	4	**16**	Assist sectors and municipalities to identify and implement EPWP projects	Conducted Road shows for municipalities. SALGA Working Groups membership. One on one Bilateral contact session held with specific stakeholders to facilitate compliance and reporting

Progress on Expanded Public Works Programme Projects

Project Description	Districts	2010/11 Budget	Expenditure	Progress on site
Renovate the Kroonstad house of the late Reverend Z.R. Mahabane.	Fezile Dabi	R450,000	R291,000	Planning 100% complete. Construction will start in the new financial year.
Complete the construction of the Smithfield Crèche	Xhariep	R800,000	R525,942	Progress on site is 90%. Plumbing and electrical work to commence
Batho: Clinic Renovation Phase 1: construction of new consultation rooms, ablution block and Admission Hall	Motheo	R8,120,000	R7,011,480	92% Progress

Project Description	Districts	2010/11 Budget	Expenditure	Progress on site
Batho: Maphikela Triangle: Paving	Motheo	R4,000,000	R3, 945,379	Progress on the project is ate 20% and work will be completed at the end of June 2011.
Renovation of Community Halls				
Smithfield: GL Rantee Community Hall	Xhariep	R154,000	R265,448	Project complete
Jacobsdal: Community Hall		R135,000	R267,000	Project complete
Edenburg: Willem Green (painting of wall and fencing)		R328,000	R505,395	Project complete
Edenburg: Community-Hall		R106,000	R356,000	Project complete
Rouxville: Community Hall		R205,000	R380,999	Project complete
Boshof: - Community Hall	Lejweleputswa	R102,000	R111,704	Project complete
Cornelia: Ntswanatsatsi Community Hall	Fezile Dabi	R370,000	R168,010	Progress is at 70%
Marabastad: Fencing	Fezile Dabi	R2,000,000	R958,713	50% complete
Jagersfontein: Access road	Xhariep	R14,908,000	R7,087,000	Phase 1 is 100% and Phase 2 comprising of the remainder of the 5 kilometers and the installation of Services at Charlesville is at 30%. The work is on schedule and will be completed on the 31st July 2011.
Hobhouse: Access road	Xhariep	R404, 000	R403,835	Project cancelled due to poor workmanship. Funds utilised for professional services to perform a study on the quality of work done by contractor to assist Department to deal with litigation.

Bethani: Community-Hall – funds transferred to construction of school

2.4. PROGRAMME 4: RURAL DEVELOPMENT

Purpose

The programme is responsible to strategically lead the Province to integrate, monitor, coordinate and evaluate provincial rural development initiatives on both provincial and local government levels. The Programme consists of the following Sub-Programmes:

- Programme Support
- Policy Development and Coordination.
- Project Development

Strategic Goal and Strategic Objectives:

Strategic Goal 5: Creation of sustainable economic growth and social development programmes in rural areas.

Strategic Objectives:

- Mobilise, coordinate and monitor all stakeholders towards the successful implementation of rural development strategy.
- Facilitate and coordinate access to social amenities within rural areas.

Strategic Objective 5.1: Mobilise, coordinate and monitor all stakeholders towards the successful implementation of rural development strategy

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of projects/initiatives in rural areas	30	23	23 Projects were completed out 42 implemented projects. 8 Projects are multi year and 11 are at various stages of completion.
Number of job created in rural areas	5,000	3,015	The work opportunities were yielded from the 42 initiatives currently implemented in the province.

Strategic Objective 5.2.: Facilitate and coordinate access to social amenities within rural areas

Performance Indicators	2010/11 Targets	2010/11 Actual Outputs	Comments on achieved Targets
Number of social amenities provided	8	9	

Progress on Risk Assessment: Programme: Rural Development

Strategic Risks Identified:	Likely-hood Rating	Impact Rating	Inherent Risk Total	Current Control Measures	Likely-hood Rating	Impact Rating	Residual Risk Total	Control Measures Improvements	Progress
Capacity – no dedicated personnel to execute the function	5	4	**20**	Departmental officials Implementing the project	5	4	**20**	Urgent filling of posts as per new structure	The unit is managed by a Chief Director and Deputy Director. 17 contract workers have been appointed for Rural Development.

Project Description	2010/11 Budget	Expenditure	Progress
Motheo			
Thaba Nchu Thaba Nchu Barolong: Construction of new Community Hall (accommodate 1000 people). 16/11/09 – 16/08/2010	R6 768 909.60	R1 456 920.00	Progress on site is 60%. The project is at roof level.

Project Description	2010/11 Budget	Expenditure	Progress
Thaba Nchu: Barolong New Community Hall: Landscaping. 16/11/09 – 16/08/2010	R500 000.00	R2,768,909.60	Progress is 0%. Landscaping will commence once construction activities are concluded.
Thaba Nchu Barolong New Community Hall Security Fencing. 01/12/09 – 30/03/2010	R398 000.00	R212 585.00	Progress on site is 100%. The project is completed
Mangaung			
Batho Clinic Phase 1 (New extensions to consultation rooms and ablution facilities) 01/12/09 – 30/03/2010	R9,238,913.00	R1,312,800.00	Progress on site is 14.21%. Paint work is complete.
Xhariep			
Bethany: New Five Classroom School. 02/12/09 – 02/07/2010	R4 096 669	R826 576.00	Progress 62%. Foundation slabs for the ablution blocks are completed.
Bethany: New School: Security fence. 02/12/09 – 02/07/2010	R626 000.00	R350 000.00	Progress is 100%. Paintwork still outstanding.
Jagersfontein- Renovations of Boaramelo Combined School, (Flooring, Tilling, Ablution upgrade and paintwork) 05/11/09 – 05/05/2010	R397 888	R297 499.99	Progress is 100%. Snag list being done.
Jagersfontein: Itumeleng Community Hall: Renovations. (Replacement of floor and paintwork) 05/11/09 – 05/05/2010	R351 000	R251 000.00	Progress on site is 100% completed
Fezile Dabi			
Cornelia: Cornelia Mafube Municipal Offices 16/11/09 – 31/03/2010	R860 000.00	0	Procurement stage
Cornelia Mafube Municipal Hall 16/11/09 – 31/03/2010	R199 973.10	0	25% progress.
Cornelia Ntswanatsatsi Community Hall 16/11/09 – 31/03/2010	R370 949.92	R98 384.31	27% progress.
Cornelia Mafube Municipal Office dwelling No 1 16/11/09 – 31/03/2010	R440 000.00	R396 000.00	90% progress. Roof correction needed and internal finishing in progress
Cornelia Mafube Municipal Office dwelling no 2 16/11/09 – 31/03/2010	R470 000.00	R446 500.00	95% progress. Flooring and carpentry work finalised.
Thabo Mofutsanyana			
Harrismith: Makgolokoeng • Harrismith: Makgolokoeng New Hall (1000 capacity) 16/11.09 – 16/08/2010	R8 157 172.55	R4 207 416.00	The progress is 51.8% and the contractor is still awaiting roofing material
Harrismith: Makgolokoeng Hall: Fencing 30/11/09 – 31/03/2010	R440 135.53	R366 784.75	99% is the progress on site and the final coat of paint to be applied.
Harrismith: Makgolokoeng New 8 Classroom Crèche 2 Blocks and an ablution block 16/11/09 – 16/08/2010	R7 262 967.70	R4 933 975.00	70% progress. Classrooms are occupied and being used. Contractor currently busy with paving on parking area. Variation orders for septic tank, electrical and water connection outstanding
Harrismith: Makgolokoeng Crèche : Fencing 02/11/09 – 31/03/2010	R282 279.62	R235 351.00	83% is the progress on site and final coat of paint to be applied
Harrismith: Diyatalawa • Harrismith: Diyatalawa New School 16/12/09 – 15/08/2010	R7 398 810.90	R6 347 916.30	95% progress. Outstanding work includes installation of septic tank, water and power supply
Harrismith: Diyatalawa School: Fencing 02/11/09 – 31/03/2010	R735 846.52	R613 599.64	100% is the progress on site. Work completed
Harrismith: Diyatalawa New Crèche 16/11/09 – 16/08/2010	R4 077 151.86	R2 962 313.15	95% progress. Installation of septic tank outstanding.
Harrismith: Diyatalawa Crèche: Fencing 02/11/09 – 31/03/2010	R549 802.28	R458 382.00	Progress on site is 99%. Resealing of welded joints to be completed. Parking area is 90% complete

PART C: REPORT OF THE AUDIT COMMITTEE

ANNUAL REPORT

2010 - 2011

FINAL REPORT OF THE AUDIT COMMITTEE

Overview

The Audit Committee was established in terms of the PFMA and its Treasury Regulations as well as other codes of best practice. We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee members and attendance

The audit committee consisted of the members listed hereunder and their term ended 31 July 2010.

Name of Member	Number of meetings attended	Member Status
1. V. Chauke	2	Independent member (Chairperson)
2. K. Khoza	0	Independent member
3. MB Mfanta	0	Non-independent member
4. G du Pisane	1	Non-independent member
5. P. Moloi	2	Independent member

Current Cluster Audit Committee

Provincial Treasury appointed the new cluster audit committee on 25 January 2011. This audit committee was appointed for the department of Public Works and Rural Development as well as for the department of Police, Roads and Transport.

As a result of this committee being in office only for the latter part of the financial year, the committee can only express its views in the matter contained in this report in a limited manner. All members give a declaration at each meeting of any personal or financial interest that may conflict with their duties.

The appointed cluster audit committee held meetings as follows:

Member	Number of meetings attended	Member status
Mr. M Mulla	1	Independent member (Chairperson)
Ms. P Mateta	1	Independent member
Mr. LT Shabe	1	Independent member
Mr. JC Weapond	1	Independent member
Mr. A Mahlalutye	0	Independent member

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibility arising from section 38(1)(a) of PFMA and Treasury Regulations 3.1.13, adopted appropriate terms of reference as its charter and has regulated its affair in accordance with the Audit Committee Charter that is reviewed annually to ensure its relevance.

Effectiveness of Internal Controls and Risk Management

The Audit Committee is of the opinion that there are still weaknesses in the control environment to provide reasonable assurance that the risks are managed and that some applicable legislation is adhered to. Some business processes still need improvement.

Effectiveness of Internal Audit

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has identified the risks pertinent to the department in its audit.

Evaluation of Financial Statements

The Audit Committee has reviewed and discussed the audited annual financial statements with the Auditor General and the Accounting Officer. The Audit Committee concurs and accepts the Auditor General's conclusion on the annual financial statements

Auditor General South Africa

The Audit Committee has met with the Auditor General South Africa to ensure that there are no unresolved issues

Mr. M. Muller
Chairperson of the Audit Committee
Date: 11/08/2011

PART D: ANNUAL FINANCIAL STATEMENTS AND REPORT OF THE AUDITOR GENERAL

ANNUAL REPORT

2010 - 2011

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REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND FREE STATE LEGISLATURE OF THE REPUBLIC OF SOUTH AFRICA

1. General review of the state of financial affairs

The year under review was the first full financial cycle for the new vote, the Department of Public Works and Rural Development. The added goal of Rural Development has the role to promote Rural Development, Agrarian and Land Reform and thus extended the role of the Department. The Transport and Roads Function has found a new home with the Department of Safety, now known as the Department of Police, Roads and Transport. During the year we strived to improve the financial position of the Department by focusing on the core functions of the Department and the related financial structures. Working closely with the Provincial Treasury and by implementing strict financial discipline, we improved the overall financial position of the Department. The Department does however have accruals amounting R45.644,000 from the year under review which will be a first charge against the next financial year's budget.

Important policy decisions and strategic issues facing the department

The implementation of the Rural Development Framework Policy has been on the forefront during the year under review for the newly formed Department. The Free State Provincial Government has taken the view that infrastructure is a major contributing factor to Rural Development. The Department mobilized its existing structures and client department throughout the Province to coordinate the newly established Rural Development Function in cooperation with National Departments, Provincial Departments as well as District and Local Municipalities.

There is a renewed focus within the Public Works Function to reclaim the Public Works mandate. A consultative process has been followed which will see the works functions housed within other Departments being transferred to the Department of Public Works during 2010/2011 financial year and thereafter. The reclaiming of the Public Works mandate will enable client Departments to focus on their main roles whilst the Department of Public Works and Rural Development will consolidate the works functions to contribute to effective and efficient service delivery in line with the Batho Pele principles.

The Department does still however face many financial challenges which influence the strategy of the Department such as:

- Unfunded or partly funded mandates such as National Youth Service, the Property Incubator Program and Rural Development
- Slow transformation within the property industry due to escalated property prices
- Funding for the implementation of the Government Immovable Asset Management Act (GIAMA)
- Attaining value for money in lease agreements
- The completeness of the movable asset register mainly due to the transfer of functions to other departments
- Insufficient budget allocation from the National Department of Public Works for Property Rates
- Escalating Lease and Municipal Service Costs
- Limited resources to secure Government Buildings
- Insufficient funding for maintenance of Government Buildings
- Scarcity and cost of technical skills
- Recovery of rentals on Government owned buildings

Significant events that have taken place during the year

The launch of Operation Hlasela has seen the creation of work opportunities in accordance with the goals set by National Government. These work opportunities are based on Expanded Public Works principles. The Department of Public Works and Rural Development working together with all other Provincial Departments has led the Province with the implementation of the main Operation Hlasela Projects in Jagersfontein and Diyatalawa.

During the mid-term budget reconfiguration the electronic security function which was housed within the Department was transferred to the Department of Police, Roads and transport.

Major projects undertaken or completed during the year

Although the Department of Public Works and Rural Development is measured mainly on its own spending it is vital to note the Departments role in coordinating infrastructure projects on behalf of client Departments.

The Public Works Function has continued its focus on infrastructure delivery and coordinated 28 projects during the financial year, twenty-three (23) which were due for completion during period under review were completed and the remaining are multi-year projects on behalf of client departments. These projects include:

- Five (5) schools
- Three (3) hospitals
- One (1) portions of offices
- One (1) portions of resorts
- Two (2) libraries

Spending trends

The total adjusted budget of the Department for the year under review amounted R1, 063 million. The Department recorded an under spending of R35.6 million mainly due to cash flow shortages caused by monies due from Client Departments for infra structure project payments which was not honored by year end. The department did receive additional funds for infrastructure projects during the adjusted budget and experienced challenges with the implementation.

The appropriation statement shows over and under spending per program:

- **Program 1**
  Administration closed with an under spending of R7.8 million. This was mainly due to the implementation of the new IT Infrastructure that is still awaiting approval.

- **Program 2**
  Public Works Program closed with an under spending of R14.9 million. This was mainly due to the Province being in the process of purchasing the Weslyan Church and no agreement could be reached. The department has made an official offer to the owner.

- **Program 3**
  Expanded Public Works closed with an under spending of R7.2 million. This was mainly due to additional Infrastructure money received during the adjustment budget process in December, for which the projects are still in the planning phase.

- **Program 4**
  Rural Development closed with an under spending of R5.6 million. This was mainly due to additional Infrastructure money received during the adjustment budget process in December, for which the projects were delayed mainly due to abnormal weather patterns.

Virement

Due to the non filling of posts in the financial year virements was done from Administration (Program 1) (R0.678m) and Rural Development (Program 4) (R1.784m) to Public Works (Program 2) (R1.801m) and EPWP (Program 3) (R0.661m). The virement was approved by the Accounting Officer and reported to the Executive Authority and Provincial Treasury.

Fruitless and Wasteful expenditure

Fruitless and Wasteful expenditure as disclosed in note 25 of the Annual Financial statements were mainly due to a settlement payment that was made to the lessor regarding the old Sanlam building. This matter is still under investigation.

2. Service rendered by the department

2.1 The main services rendered by the department are:

- Public Works Maintenance and Construction
- Property Management
- Coordination and monitoring of the implementation of the Expanded Public Works Program
- Security Management for interdepartmental buildings
- Coordination and monitoring of the implementation of Rural Development

2.2 Tariff policy

The tariffs for rental of housing and government buildings are determined by departmental staff inspecting the buildings, determining comparative market price, while also considering the condition and type of construction. Market related rentals are not yet fully implemented i.e. with provision for Health officials who rent at nominal fees. Tariffs for parking were reviewed during the year under review. New parking tariffs were implemented during the year under review.

2.3 Free Services

No free services that would have yielded significant revenue had a tariff been charged were delivered by the Department. Although client departments were not charged for office space utilized, the budget for rent, rates and services were top sliced by Treasury and included in the budget of Public Works. The amounts paid are reported as related parties.

2.4 Inventories

The department's inventory on hand at year-end, consisted of other consumable materials which are reflected in Annexure 5 to the Annual Financial Statements, and amounts to R148,000.

3. Capacity constraints

During current financial year under review, the critical post of the CFO and Director SCM was filled appropriately as well as various entry level technical professional posts primarily through the absorption of bursary holders. Professional Civil Engineering Construction and maintenance was designated a position of Chief Engineer to mentor the up coming Professionals. The Department made significant strides with the registration of the up coming Professionals with various build environment councils. Despite this improvement a shortage of experienced registered professionals still exists. This skill gap was addressed with the appointment of consultants.

A strategic intervention was made with establishment of Project Management Unit, which is currently being capacitated with appropriate technical and professional skill. As far as the structured arrangement concerned, the process was concluded. Full implementation of structural amendments will take place in the financial year in accordance with the approved HRM Plan.

In order to address capacity regarding skilled artisans, the Department embarked on phase 1 over recognition of prior learning project to up skill its own staff to become fully fledged artisans. Phase 1 of these projects, the pre-assessments were concluded and Phase 2 commences in the new financial year.

As a retention measure the Department implemented the occupational dispensations applicable to artisans, engineers, architects, quantity surveyors and related professionals.

4. Utilization of donor funds

The Department did not receive or utilize any donor funding during the year under review.

5. Trading entities and public entities

The department did not have any trading and public entities for the year under review.

6. Organizations to whom transfer payments have been made

The department made transfer payments to the amount of R222.3 million to municipalities in the Free State for municipal rates and taxes. Transfer payments to the amount of R3.5 million were made to households.

7. Public private partnerships (PPP)

The Department was not part of any Public Private Partnerships during the year under review.

8. Corporate governance arrangements

The Department had a functioning Internal Audit directorate, Risk Management Committee, a working Performance Management System, Financial, Personnel and Procurement delegations. The Department maintains controls on information systems, salary payments and all losses. There are several Departmental policies in place such as a Code of Conduct, Protected Disclosures Policy and Telephone Policy.

9. Discontinued activities / activities to be discontinued

The Rural Development function has been transferred to the Department of Agriculture effective from 1 April 2011. This function will thus continue in the Province.

10. New / proposed activities

No new or proposed activities to be noted.

11. Asset management

The immovable asset register was cleaned to ensure all properties are reflected and confirmed with supporting documents. This register is continuously improved and updated (for completeness and accuracy) as properties are vested, disposed and acquired. In previous years, the asset register was inflated when any asset information became available. This led to duplications where incomplete fields of information could not be paired off and reconciled. During the past year these properties were reconciled with the rates and taxes information and the available municipal valuation rolls.

Minimum requirements of Asset registers

In terms of the minimum requirements of an asset register, the Department uses the calculated asset value as agreed on with the Auditor General in 2008 instead of the purchase price of properties for which no initial price is available. The co-ordinates of most properties were captured. User department information is not yet complete, especially where there are more than one department on a property. The Department focused on getting the land units information complete but the information relating to the buildings on that land; number of buildings, conditions and extent are not yet determined as, due to scarcity of funds, the condition assessment was not yet commissioned.

Asset Management Reform

The Department is currently the only custodian of fixed assets. Appointing Roads, and Cooperative Government and Human Settlement as custodians for their related assets. The Department facilitated the compilation of Client Department User Asset Management plans and will compile the Custodian Asset Management plan as required in the GIAMA implementation plan.

Property values of previous years were updated with additions and disposals while land found not belonging to the Provincial Government and duplications were removed from the register.

Client departments still retain some maintenance staff to allow on site and thus, faster resolution of maintenance emergencies.

12. Events after the reporting date

The Rural Development function has been transferred to the Department of Agriculture effectively from 1 April 2011.

13. Information on predetermined objectives

The department utilise the standard prescribed for the Annual Performance Plan and Annual report to monitor monthly progress as compared to the approved Annual Performance Plan. The progress is captured and at a quarterly departmental meeting presented to the MEC.

14. SCOPA resolutions

No SCOPA resolutions for the year.

15. Prior modifications to audit reports

Nature of qualification	Financial year in which it first arose	Progress made in clearing / resolving the matter
Immovable tangible assets: Valuation of additions to non-residential buildings	2008/2009	With the inputs from Treasury, a certificate for circulation to other departments were compiled. This certificate requests all necessary information for additions to government buildings by other departments. This certificate was circulated by Provincial Treasury, and was subsequently followed up by our department directly with the other departments. Despite all these efforts, responses from the other departments were however minimal and thus not all supporting documentation needed to clear this qualification has been received. This matter is thus still an ongoing process.
Immovable tangible assets: Lack of supporting documentation for work-in-progress	2009/2010	The population, thus detail expenditure data, of all work-in-progress incurred in the current year as well as in 2009/2010 were compiled for submission with the AFS on 31 May 2011. Detail regarding roads expenditure incurred by the Department of Police, Roads and Transport were also obtained in the current year. There was thus good progress in this regard.
Movable tangible capital assets: No unique asset numbers,etc., thus unable to physically verify	2008/2009	Most of the tangible capital assets were barcoded in the current year, except for a few assets still under investigation. For most assets it will now be possible to trace from the asset register to the physical asset, and vice versa. There was thus good progress in this regard.
Movable tangible capital assets: Difference between asset register and the annual financial statements	2008/2009	The annual financial statements disclosure for movable tangible capital assets has been aligned to the amounts as per the improved asset register for the year ended 31 March 2011. This matter is thus expected to now be resolved.

Nature of qualification	Financial year in which it first arose	Progress made in clearing / resolving the matter
Receivables for departmental revenue, related provision for doubtful debts and related departmental revenue	2008/2009	The Department is in the process of looking at recording the property receivables on the BAS system instead of just on the outside Pastel system as is currently the case. Capacity constraints is however a major factor. This matter has not yet been resolved during the 2010/2011 financial year. The Department is however in the process of considering how best to resolve this issue.
Contingent liabilities: Environmental rehabilitation of quarries	2009/2010	An expert report for the estimated cost in the calculation was obtained in the current year, and the 2009/2010 amount was restated. This matter is thus expected to now be resolved.
Irregular expenditure	2008/2009	Normal departmental procedures to identify irregular expenditure were followed throughout the financial year.

16. Exemptions and deviations received from the National Treasury

National Treasury has granted approval for a deviation regarding the movable asset register. Approval has been granted to regard the Excel spreadsheet (as compiled for the Department) as the official asset register. The Excel register would thus be submitted for audit purposes, and not the Logis asset register. The Logis asset register will be updated with the correct asset data by the end of the 2011/2012 financial year.

17. Other

No other facts have a material influence in the understanding of the statements.

18. Approval

The Annual Financial Statements set out on pages 16 to 93 have been approved by the Accounting Officer.

Me Mme Nthongoa
Accounting Officer

31 May 2011

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON VOTE NO. 9: DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Department of Public Works and Rural Development, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 67 to 117.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

Immovable tangible capital assets

7. As a result of the audit findings detailed below, I was unable to obtain sufficient appropriate audit evidence to conclude on the existence, completeness and valuation, or to substantiate the ownership, of immovable tangible capital assets amounting to R44 207 587 000 (2010: R66 320 600 000) as disclosed in note 32 to the financial statements.

   (a) The opening balances of buildings and other fixed structures were adjusted by R22 972 192 000 (2010: R7 898 378 000**)** during the current financial year, mainly to remove properties which, according to the department, were duplicated

in the fixed asset register. Sufficient appropriate supporting evidence could not be obtained to enable me to confirm the validity of these adjustments.

(b) In accordance with Accounting Policy 4.8.2, the department is the custodian of provincial property and should account for the value of capital improvements made to provincial property on the completion thereof. Certificates of completion for additions to non-residential buildings amounting to R848 619 000 (2010: R87 981 000) could not be obtained. In the absence of sufficient appropriate supporting documentation, there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance regarding the valuation and ownership of additions to non-residential buildings amounting to R848 619 000 as disclosed in notes 32 and 32.1 to the financial statements.

(c) The physical location of assets was not recorded in the asset register for non-residential buildings. Consequently, I was unable to verify the existence and valuation thereof.

(d) Various immovable properties, which are currently used by Free State provincial departments, were identified that had not been recorded in the asset register. Weaknesses in the asset records of the department did not permit the application of alternative audit procedures to enable me to confirm the completeness and valuation of assets recorded in the asset register.

(e) Various residential buildings amounting to R5 401 750 were donated to the tenants currently occupying them at no cost. The disposal of these properties was not disclosed in note 32.2 to the financial statements.

Movable tangible capital assets

8. As a result of the audit findings detailed below, I was unable to obtain sufficient appropriate audit evidence to confirm the completeness, existence, valuation, rights and obligations of movable tangible capital assets of R16 302 000 (2010: R11 508 000) as disclosed in note 30 to the financial statements. Various weaknesses in the asset records of the department prevented the application of alternative audit procedures.

(a) The opening balance of the movement in movable tangible capital assets per the asset register as disclosed in note 30 to the financial statements was restated by R13 510 000 from R25 018 000 to R11 508 000. Furthermore, during the current year, adjustments amounting to R1 880 000 were also made and disclosed in note 30 to the financial statements relating to prior year balances. Sufficient appropriate supporting evidence to verify the restatement could not be provided. In the absence of sufficient appropriate supporting documentation, there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance regarding the validity of the adjustments.

(b) Movable assets amounting to R7 393 018 recorded in the asset register could not be physically verified. . The existence, physical condition as well as rights and obligations of these assets could not be confirmed.

Receivables for departmental revenue

9. Owing to inadequate documentation, the poor retention and safeguarding of documents as well as shortcomings in the management of property rentals, rental agreements between the department as landlord and tenants occupying state property either were not provided to me or had expired and a new agreement had not been concluded yet. In the absence of sufficient appropriate supporting documentation and due to serious weaknesses in the accounting system and processing of journals for departmental revenue, I was not able to perform reasonable alternative audit procedures to conclude on the existence, completeness and valuation, or to substantiate the ownership, of the receivable for interest, dividends and rent on land amounting to R27 657 000 (2010: R24 038 000).

Departmental revenue

10. In accordance with Departmental Policy 2.2, the department recognises departmental revenue when received and subsequently paid into the provincial revenue fund unless stated otherwise. I could not obtain reasonable assurance regarding the completeness of revenue disclosed in note 2.1 as sale of goods and services other than capital assets amounting to R7 030 000 (2010: R5 652 000).

Impairment and other provisions

11. Sufficient appropriate supporting evidence could not be submitted for the estimation of the provision for irrecoverable debt regarding property receivable amounting to R27 488 000 (2010: R23 285 000) as disclosed in note 28 to the financial statements. I was thus unable to determine the amount by which the provision for potential irrecoverable debtors had been understated in both the current

and corresponding year. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance in this regard.

Irregular expenditure

12. I could not be provided with sufficient appropriate supporting evidence that the department had complied with the supply chain management requirements in respect of expenditure transactions amounting to R31 426 000 (2010: R48 543 000). Weaknesses in the department's procurement and provisioning system did not permit me to perform alternative procedures to confirm the completeness of irregular expenditure as disclosed in note 24 to the financial statements.

Qualified opinion

13. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Rural Development as at 31 March 2011 and its financial performance and cash flows for the year then ended, in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Financial reporting framework

15. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus, my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

Impairment and other provisions

16. As disclosed in note 28 to the financial statements, a provision was made for possible non-recoverable debtors amounting to R28 455 000 (2010: R24 403 000).

Material underspending of the budget

17. As disclosed in the appropriation statement, the department underspent the budget by R35 644 000 as follows:
Programme 1 (administration) by R7 812 000 due to new information technology infrastructure
Programme 2 (public works) by R14 950 000 due to the non-finalisation of the procurement process for heritage assets
Programme 3 (EPWP) by R7 266 000 due to national funding of infrastructure projects that was received late
Programme 4 (rural development) by R5 616 000 due to unspent additional infrastructure funds as a result of heavy rains

Restatement of corresponding figures

18. As disclosed in note 18 to the financial statements, the comparative figures for contingent liabilities relating to the environmental rehabilitation liability have been restated from R539 400 000 to R1 111 064 000 to correspond to the restatement that occurred in respect of the borrowed pits.

19. As disclosed in note 22 to the financial statements, the comparative figures for lease commitments in respect of machinery and equipment have been restated from R2 693 000 to R4 413 000 at the request of Free State Fleet Management where the commitment is calculated.

20. As disclosed in note 24 to the financial statements, the opening balance for prior year irregular expenditure has been restated from R90 623 000 to R90 884 000 due to the re-evaluation of evidence relating to the appointment of, and payments to, consultants for infrastructure projects.

21. As disclosed in note 25 to the financial statements, fruitless and wasteful expenditure was restated from R8 455 000 to R8 180 000 to correct prior year errors.

22. As disclosed in note 30 to the financial statements (movement in movable tangible capital assets), the opening balance was restated from R25 018 000 to R11 508 000 to align the asset register to the financial statements.

23. As disclosed in note 32 to the financial statements (movement in immovable tangible capital assets), the opening balance was restated by R22 972 192 to remove duplications from the fixed asset register.

24. As disclosed in note 31 (movement in intangible capital assets), the opening balance was adjusted by R572 000.

Irregular as well as fruitless and wasteful expenditure

25. As disclosed in note 24 to the financial statements, irregular expenditure of R31 426 000 (2010: R48 543 000) was incurred during the year under review as a result of the department incurring expenditure in contravention of the procurement management policies and regulations. This irregular expenditure was identified during the audit and was not prevented or detected by the department's system of internal control.

26. As disclosed in note 25 to the financial statements, fruitless and wasteful expenditure of R1 500 000 (2010: R3 327 000) was incurred by the department in respect of a settlement of a lease contract dispute.

Additional matter

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

Unaudited supplementary schedules

28. The supplementary information set out on pages 118 to 123 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

29. In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010,* I include below my findings on the annual performance report as set out on pages 60 to 65 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives
Reliability of information

30. The reported performance information was deficient in respect of the following criteria:
Validity: The reported performance did not occur and did not pertain to the entity.
Accuracy: The amounts, numbers and other data relating to reported actual performance were not recorded and reported appropriately.
Completeness: All actual results and events that should have been recorded were not included in the reported performance information.

31. The following audit finding relates to the above criteria:

Reasons for major variances between planned and actual reported targets were not supported by sufficient appropriate evidence (validity)

32. Sufficient appropriate evidence could not be obtained to support the reasons for major variances between the planned and the actual reported targets for 8/15 of the key performance indicators.

Compliance with laws and regulations
Annual financial statements, performance report and annual report

33. The accounting officer submitted financial statements for auditing that had not been prepared in all material aspects in accordance with generally recognised accounting practice, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the AGSA with regard to lease commitments, immovable assets, employee costs, employee benefits, key management personnel, irregular expenditure and contingent liabilities were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion in contravention of section 40(3)(a) of the PFMA.

Audit committee

34. The term of the previous audit committee ended on 30 July 2010. A new committee was only appointed in January 2011 and had its first sitting at the end of March 2011. The department did not have a functional audit committee during the period 1 August 2010 to 31 December 2010 to ensure the performance of responsibilities as set out in Treasury Regulation 3.1.10.

Internal audit

35. As a result of the matter reported in paragraph 34, there was no oversight over the internal audit function for a period of five months during the financial year in terms of Treasury Regulation 3.1.10.

Procurement and contract management

36. In certain instances, goods and services with a transaction value between R10 000 and R500 000 were procured without inviting at least three written price quotations from prospective suppliers as per the requirement of Treasury Regulation 16A6.1.

37. Tender awards were not always made to suppliers based on criteria that were consistent with the original invitations for quotations and bids as per the requirement of a fair supply chain management system in Treasury Regulation 16A3.2.

38. Contrary to the requirements of section 2(1)(f) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA), the preferential point system was not applied in certain instances during procurement of goods and services above R30 000.

39. Contrary to the requirements of the PPPFA and its regulations as well as National Treasury Instruction 15 of 15 September 2010, certain tenders were awarded to suppliers based on preference points that were not appropriately allocated and calculated.

40. Contrary to the requirements of section 2(1)(f) of the PPPFA, certain tenders were awarded to suppliers that did not score the highest points in the evaluation process.

41. Contrary to the requirements of Treasury Regulation 16A9.1(d) and Preferential Procurement Regulation 16, certain tenders were awarded to suppliers who failed to provide written proof from the South African Revenue Service that their tax matters were in order.

42. Contrary to the requirements of Treasury Regulations 8.2.1 and 8.2.2, extensions or modifications to contracts were not always approved by a delegated official.

43. Contrary to the requirements of Treasury Regulations 16A6.3 (g), the accounting officer did not ensure that instructions issued by National Treasury in respect of consultants were always complied with.

Human resource management and compensation

44. Contrary to the requirements of section 30 of the Public Service Act of South Africa, 1994 (Act No. 103 of 1994), employees performed remunerative work outside their employment in the department without written permission from the relevant authority.

Expenditure management

45. The accounting officer did not take effective and appropriate steps to prevent and detect irregular expenditure and fruitless and wasteful expenditure as per the requirements of section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

46. Payments due to creditors were not always settled within 30 days from receipt of an invoice as per the requirements of section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Asset management

47. The accounting officer did not implement adequate control systems for the safeguarding and maintenance of assets to prevent theft, losses, wastage and misuse as required by Treasury Regulation 10.1.

Revenue management

48. The accounting officer did not take effective and appropriate steps timeously to collect all money due to the institution as per the requirements of Treasury Regulation 11.2.1.

49. The accounting officer wrote off debts without complying with the applicable requirements as per Treasury Regulation 11.4.

50. The interest charged on outstanding property rentals was not at the rate determined by the Minister of Finance in terms of section 80 of the PFMA and as required by Treasury Regulation 11.5.1.

51. The revenue received by the department was not always deposited into its paymaster-general account on a daily basis or by the last day of the month as per the requirements of Treasury Regulation 15.5.1.

52. The department let immovable state property (excluding state housing for officials and political office-bearers) at non-market-related tariffs or let state property free of charge without the prior approval of the relevant treasury as required by Treasury Regulation 16A7.4.

INTERNAL CONTROL

53. In accordance with the PAA and in terms of *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010,* I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

54. Management did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls, as sufficient monitoring controls had not been implemented.

55. An effective human resource management system

had not been implemented to prevent frequent changes in the post of chief financial officer so as to provide adequate supervision over compliance with procurement regulations, leading to irregular expenditure.

56. Oversight and control responsibilities over departmental assets and receivables for departmental revenue were not adequately discharged, as senior managers were suspended for long periods.

57. The implementation of action plans was not adequately monitored to address internal control deficiencies. As a result, matters reported in the prior year were only partially addressed.

Financial and performance management

58. As a result of instability in the post of chief financial officer, there was no coordination between the property and finance sections to ensure accurate reporting on assets and departmental revenue.

59. Controls had not been implemented over the daily and monthly processing and reconciling of transactions, which resulted in a scope limitation to confirm the completeness of the asset register.

60. Regular, accurate and complete financial and performance reports, which were supported and evidenced by reliable information, were not prepared. This resulted in the financial statements being subject to material adjustments as well as material scope limitations, as reported in the audit report.

61. The review and monitoring of compliance with applicable laws and regulations were not effective, which resulted in significant instances of non-compliance that could have been prevented.

Governance

62. Appropriate risk management activities were not implemented to ensure that regular risk assessments, including considering information technology risks and fraud prevention, were conducted and that a risk strategy to address the risks had been developed and monitored. This resulted in significant instances of non-compliance with supply chain management regulations that could have been prevented.

63. The department's internal control system, risk management and governance over assets and revenue were not reviewed and monitored by the audit committee.

64. The audit committee did not promote accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment, including financial and performance reporting as well as compliance with laws and regulations. This resulted in material non-compliance matters.

OTHER REPORTS

Investigations

65. At the request of the provincial premier, a review of the supply chain management processes in the province was completed during the year. The results of the review were considered during the risk assessment processes.

Performance audits

66. A performance audit is being conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The findings will be reported on in a separate report.

Auditor General

Bloemfontein
29 July 2011

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

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Appropriation per programme									
	2010/11							2009/10	
APPROPRIATION STATEMENT	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1. Administration									
Current payment	66,598	1,140	(611)	67,127	65,338	1,789	97.3%	60,681	59,815
Transfers and subsidies	719	-	(67)	652	650	2	99.7%	1,300	1,156
Payment for capital assets	11,103	(1,140)	-	9,963	3,091	6,872	31.0%	506	261
Payment for financial assets	-	-	-	-	851	(851)		-	1,255
	78,420	-	(678)	77,742	69,930	7,812		62,487	62,487
2. Public Works									
Current payment	589,502	(895)	(1,244)	587,363	583,797	3,566	99.4%	453,436	451,801
Transfers and subsidies	224,301	(1,200)	2,190	225,291	225,278	13	100.0%	186,697	186,687
Payment for capital assets	81,259	2,095	855	84,209	72,838	11,371	86.5%	62,204	57,712
Payment for financial assets	-	-	-	-	-	-		-	2,009
	895,062	-	1,801	896,863	881,913	14,950		702,337	698,209
3. EPWP									
Current payment	40,209	49	661	40,919	38,230	2,689	93.4%	11,172	10,046
Transfers and subsidies	-	-	-	-	-	-		900	864
Payment for capital assets	14,607	(49)	-	14,558	9,981	4,577	68.6%	8,696	4,430
Payment for financial assets	-	-	-	-	-	-		-	1,126
	54,816	-	661	55,477	48,211	7,266		20,768	16,466

Appropriation per programme									
	2010/11							2009/10	
APPROPRIATION STATEMENT	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
4. Rural Development									
Current payment	25,759	(37)	(1,644)	24,078	19,521	4,557	81.1%	16,846	12,452
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	8,988	37	(140)	8,885	7,826	1,059	88.1%	1,531	1,498
Payment for financial assets	-	-	-	-	-	-		-	2,018
	34,747	-	(1,784)	32,963	27,347	5,616		18,377	15,968
Subtotal	**1,063,045**	**-**	**-**	**1,063,045**	**1,027,401**	**35,644**	**96.6%**	**803,969**	**793,130**
Statutory Appropriation									
Current payment				-		-		-	-
Transfers and subsidies				-		-		-	-
Payment for capital assets				-		-		-	-
Payment for financial assets				-		-		-	-
TOTAL	**1,063,045**	**-**	**-**	**1,063,045**	**1,027,401**	**35,644**	**96.6%**	**803,969**	**793,130**

	2010/11				2009/10	
					Final Appropriation	Actual Expenditure
TOTAL (brought forward)					**803,969**	793,130
Reconciliation with statement of financial performance						
ADD:						
Departmental receipts	-				-	-
Direct Exchequer receipts	-				-	-
Aid assistance	-				-	-
Actual amounts per statement of financial performance (total revenue)	**1,063,045**				**803,969**	
ADD						
Aid assistance						-
Direct Exchequer payments						-
Prior year unauthorised expenditure approved without funding						-
Actual amounts per statement of financial performance (total expenditure)		**1,027,401**				**793,130**

Appropriation per economic classification									
	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	276,698	(582)	(1,983)	274,133	273,925	208	99.9%	240,482	240,190
Goods and services	445,370	839	(855)	445,354	432,961	12,393	97.2%	301,653	293,925
Interest and rent on land	-	-	-	-	-	-		-	-
Transfers and subsidies									
Provinces and municipalities	222,386	-	-	222,386	222,376	10	100.0%	185,904	185,895
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Universities and technicons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2,634	(1,200)	2,123	3,557	3,552	5	99.9%	2,993	2,811
Gifts and donations	-	-	-	-	-	-	-	-	-
Payments for capital assets									
Buildings and other fixed structures	106,314	(211)	765	106,868	54,474	52,394	51.0%	68,962	61,417
Machinery and equipment	7.908	1,156	(50)	9,014	38,690	(29,676)	429.2%	3,975	2,484
Biological assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1,735	(2)	-	1,733	572	1,161	33.0%	-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	851	(851)		-	6,408
Total	**1,063,045**	**-**	**-**	**1,063,045**	**1,027,401**	**35,644**	**96.6%**	**803,969**	**793,130**

PROGRAMME 1: ADMINISTRATION

	2010/11							2009/10	
Detail per sub-programme	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
1.1 Office Of The MEC									
Current payment	7,365	272	(157)	7,480	7,284	196	97.4%	6,286	6,121
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	199	(138)	-	61	27	34	44.3%	108	86
Payment for financial assets	-	-	-	-	-	-		-	-
1.2 Management/Head Of Department									
Current payment	4,794	(251)	(200)	4,343	4,248	95	97.8%	3,253	3,068
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	204	26	-	230	95	135	41.3%	132	95
Payment for financial assets	-	-	-	-	-	-		-	-
1.3 Corporate Support									
Current payment	54,439	1,119	(254)	55,304	53,806	1,498	97.3%	51,142	50,626
Transfers and subsidies	719	-	(67)	652	650	2	99.7%	1,300	1,156
Payment for capital assets	10,700	(1,028)	-	9,672	2,969	6,703	30.7%	266	80
Payment for financial assets	-	-	-	-	851	(851)		-	1,255
Total	**78,420**	**-**	**(678)**	**77,742**	**69,930**	**7,812**	**90.0%**	**62,487**	**62,487**

PROGRAMME 1: ADMINISTRATION

	2010/11							2009/10	
Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	43,377	-	(611)	42,766	42,685	81	99.8%	36,814	36,792
Goods and services	23,221	1,140	-	24,361	22,653	1,708	93.0%	23,867	23,023
Interest and rent on land	-	-	-	-	-	-		-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-		-	-
Departmental agencies and accounts	-	-	-	-	-	-		-	-
Universities and technicons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-		-	-
Households	719	-	(67)	652	650	2	99.7%	1,300	1,156
Payment for capital assets									
Buildings and other fixed structures	4,216	(2,217)	-	1,999	-	1,999		-	-
Machinery and equipment	5,152	1,079	-	6,231	2,519	3,712	40.4%	506	261
Biological assets	-	-	-	-	-	-		-	-
Software and other intangible assets	1,735	(2)	-	1,733	572	1,161	33.0%	-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Payments for financial assets	-	-	-	-	851	(851)		-	1,255
Total	**78,420**	**-**	**(678)**	**77,742**	**69,930**	**7,812**	**90.0%**	**62,487**	**62,487**

PROGRAMME 2: PUBLIC WORKS

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support Office									
Current payment	6,571	(1,411)	-	5,160	5,085	75	98.5%	5,226	5,035
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	192	(46)	-	146	116	30	79.5%	30	7
Payment for financial assets	-	-	-	-	-	-		-	2,009
2.2 Design									
Current payment	15,089	76	-	15,165	15,157	8	99.9%	8,807	8,794
Transfers and subsidies	-	-	-	-	-	-		107	107
Payment for capital assets	73	1	-	74	64	10	86.5%	600	507
Payment for financial assets	-	-	-	-	-	-		-	-
2.3 Construction									
Current payment	7,963	(369)	-	7,594	7,568	26	99.7%	6,268	6,235
Transfers and subsidies	30	(30)	30	30	29	1	96.7%	-	-
Payment for capital assets	69,378	6	-	69,384	65,175	4,209	93.9%	56,940	53,358
Payment for financial assets	-	-	-	-	-	-		-	-
2.4 Maintenance									
Current payment	117,210	1,390	(405)	118,195	117,288	907	99.2%	106,722	108,357
Transfers and subsidies	870	(665)	1,232	1,437	1,437	-	100.0%	780	780
Payment for capital assets	494	(77)	-	417	61	356	14.6%	65	-
Payment for financial assets	-	-	-	-	-	-		-	-
2.5 Property Management									
Current payment	442,669	(581)	(839)	441,249	438,699	2,550	99.4%	326,413	323,380
Transfers and subsidies	223,401	(505)	928	223,824	223,812	12	100.0%	185,810	185,800
Payment for capital assets	11,122	2,211	855	14,188	7,422	6,766	52.3%	4,569	3,840
Payment for financial assets	-	-	-	-	-	-		-	-
Total	**895,062**	**-**	**1,801**	**896,863**	**881,913**	**14,950**	**98.3%**	**702,337**	**698,209**

PROGRAMME 2: PUBLIC WORKS

	2010/11							2009/10	
Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	225,477	(582)	(1,244)	223,651	223,526	125	99.9%	198,555	198,327
Goods and services	364,025	(313)	-	363,712	360,271	3,441	99.1%	254,881	253,475
Interest and rent on land	-	-	-	-	-	-		-	-
Transfers and subsidies									
Provinces and municipalities	222,386	-	-	222,386	222,376	10	100.0%	185,104	185,095
Departmental agencies and accounts	-	-	-	-	-	-		-	-
Universities and technicons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-		-	-
Households	1,915	(1,200)	2,190	2,905	2,902	3	99.9%	1,593	1,591
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	78,560	2,133	855	81,548	43,537	38,011	53.4%	60,274	57,008
Machinery and equipment	2,699	(38)	-	2,661	29,301	(26,640)	1101.1%	1,930	704
Biological assets	-	-	-	-	-	-		-	-
Software and other intangible assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	2,009
Total	**895,062**	**-**	**1,801**	**896,863**	**881,913**	**14,950**	**98.3%**	**702,337**	**698,209**

PROGRAMME 3: EPWP

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support									
Current payment	8,512	215	302	9,029	8,862	167	98.2%	6,877	6,717
Transfers and subsidies	-	-	-	-	-	-		100	64
Payment for capital assets	123	55	-	178	121	57	68.0%	8	21
Payment for financial assets	-	-	-	-	-	-		-	1,126
3.2 Innovation and Empowerment									
Current payment	1,177	(792)	-	385	359	26	93.2%	557	515
Transfers and subsidies	-	-	-	-	-	-		800	800
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
3.3 EPWP Co-ordination and Monitoring									
Current payment	30,520	626	359	31,505	29,009	2,496	92.1%	3,738	2,814
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	14,484	(104)	-	14,380	9,860	4,520	68.6%	8,688	4,409
Payment for financial assets	-	-	-	-	-	-		-	-
Total	**54,816**	**-**	**661**	**55,477**	**48,211**	**7,266**	**86.9%**	**20,768**	**16,466**

PROGRAMME 3: EPWP

	2010/11							2009/10	
Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	7,414	-	302	7,716	7,714	2	100.0%	5,113	5,071
Goods and services	32,795	49	359	33,203	30,516	2,687	91,9%	6,059	4,975
Interest and rent on land	-	-	-	-	-	-		-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-		800	800
Departmental agencies and accounts	-	-	-	-	-	-		-	-
Universities and technicons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-		100	64
Gifts and donations	-	-	-	-	-	-		-	-
Payment for capital assets									
Buildings and other fixed structures	14,550	(114)	-	14,436	3,111	11,325	21.6%	8,688	4,409
Machinery and equipment	57	65	-	122	6,870	(6,748)	5631.1%	8	21
Biological assets	-	-	-	-	-	-		-	-
Software and other intangible assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	1,126
Total	**54,816**	**-**	**661**	**55,477**	**48,211**	**7,266**	**86.9%**	**20,768**	**16,466**

PROGRAMME 4: RURAL DEVELOPMENT PROGRAMME

Detail per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Programme Support									
Current payment	4,619	(37)	(1,644)	2,938	2,911	27	99.1%	-	-
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	50	37	(50)	37	-	37		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
4.2 Community Development Projects									
Current payment	21,140	-	-	21,140	16,610	4,530	78.6%	16,846	12,452
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	-	-	-	-	-	-		1,531	1,498
Payment for financial assets	-	-	-	-	-	-		-	2,018
4.3 Community Development Co-ordination and Monitoring									
Current payment	-	-	-	-	-	-		-	-
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	8,938	-	(90)	8,848	7,826	1,022	88.4%	-	-
Payment for financial assets	-	-	-	-	-	-		-	-
Total	**34,747**	**-**	**(1,784)**	**32,963**	**27,347**	**5,616**	**83.0%**	**18,377**	**15,968**

PROGRAMME 4: RURAL DEVELOPMENT PROGRAMME

	2010/11							2009/10	
Economic classification	**Adjusted Appropriation**	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	***R'000***	**%**	**R'000**	**R'000**
Current payments									
Compensation of employees	430	-	(430)	-	-	-		-	-
Goods and services	25,329	(37)	(1,214)	24,078	19,521	4,557	81.1%	16,846	12,452
Interest and rent on land	-	-	-	-	-	-		-	-
Transfers and subsidies									
Provinces and municipalities	-	-	-	-	-	-		-	-
Departmental agencies and accounts	-	-	-	-	-	-		-	-
Universities and technicons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-		-	-
Gifts and donations	-	-	-	-	-	-		-	-
Payment for capital assets									
Buildings and other fixed structures	8,988	(13)	(90)	8,885	7,826	1,059	88.1%	-	-
Machinery and equipment	-	50	(50)	-	-	-		1,531	1,498
Biological assets	-	-	-	-	-	-		-	-
Software and other intangible assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	2,018
Total	**34,747**	**-**	**(1,784)**	**32,963**	**27,347**	**5,616**	**83.0%**	**18,377**	**15,968**

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

Detail of these transactions can be viewed in note 6 on Transfers and subsidies, disclosure notes and Annexure 1 A 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 5 - Financial transactions in assets and liabilities.

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
Programme 1: Administration	77,742	69,930	7,812	10%
The under spending was due to the implementation of the new IT infrastructure that is still awaiting approval.				
Programme 2: Public Works	896,863	881,913	14,950	2%
The under spending was due to the Province being in the process of purchasing the Weslyan Church and no agreement could be reached. Property Portfolio is busy with negotiation and expropriation.				
Programme 3: EPWP	55,477	48,211	7,266	13%
The under spending was due to additional infrastructure money received during the Adjustment budget process in December, for which the projects are still in the planning phase.				
Programme 4: Rural Development Programme	32,963	27,347	5,616	17%
The under spending was due to additional infrastructure money received during the Adjustment budget process in December, for which the projects were delayed mainly due to heavy rains.				

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current expenditure				
Compensation of employees	274,133	273,925	208	0.08%
Goods and services	445,354	432,961	12,393	2.78%
Interest and rent on land	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	222,386	222,376	10	0.00%
Households	3,557	3,552	5	0.14%

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Payments for capital assets				
Buildings and other fixed structures	106,868	54,474	52,394	49%
Machinery and equipment	9,014	38,690	(29,676)	-329%
Software and other intangible assets	1,733	572	1,161	67%
Payments for financial assets	-	851	(851)	-100%

STATEMENT OF FINANCIAL PERFORMANCE - For the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	1,063,045	803,969
Departmental revenue	2	-	-
TOTAL REVENUE		**1,063,045**	**803,969**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	273,925	240,191
Goods and services	4	432,961	291,709
Financial transactions in assets and liabilities	5	-	-
Unauthorised expenditure approved without funding	8	-	-
Total current expenditure		**706,886**	**531,900**
Transfers and subsidies	6	**225,928**	**188,707**
Expenditure for capital assets			
Tangible capital assets	7	93,164	66,115
Software and other intangible assets	7	572	-
Unauthorised expenditure approved without funding	8	-	-
Total expenditure for capital assets		**93,736**	**66,115**
Payments for financial assets	5	851	6,408
TOTAL EXPENDITURE		**1,027,401**	**793,130**
SURPLUS FOR THE YEAR		**35,644**	**10,839**
Reconciliation of Net Surplus for the year			
Voted Funds		35,644	10,839
Annual appropriation		31,859	10,839
Conditional grants		10	-
Unconditional grants		3,775	-
SURPLUS FOR THE YEAR		**35,644**	**10,839**

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		**40,950**	**89,334**
Unauthorised expenditure	*8*	-	-
Fruitless and wasteful expenditure	*9*	-	-
Cash and cash equivalents	*10*	10,128	38,381
Prepayments and advances	*11*	1,619	1,613
Receivables	*12*	29,203	49,340
Non-current assets		-	-
TOTAL ASSETS		**40,950**	**89,334**
LIABILITIES			
Current liabilities		**39,969**	**88,617**
Voted funds to be surrendered to the Revenue Fund	*13*	35,644	16,251
Departmental revenue to be surrendered to the Revenue Fund	*14*	1,173	364
Payables	*15*	3,152	72,002
Non-current liabilities			
TOTAL LIABILITIES		**39,969**	**88,617**
NET ASSETS		**981**	**717**
Represented by:			
Recoverable revenue		981	717
TOTAL		**981**	**717**

	Note	2010/11 R'000	2009/10 R'000
Recoverable revenue			
Opening balance		717	774
Transfers:		264	(57)
Debts recovered (included in departmental receipts)		(553)	(324)
Debts revised		-	-
		(734)	-
Debts raised		1,551	267
Closing balance		**981**	**717**
TOTAL		**981**	**717**

CASH FLOW STATEMENT - For the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**1,071,114**	**810,866**
Annual appropriated funds received	*1.1*	1,063,045	803,969
Departmental revenue received	*2*	8,069	6,897
Net (increase)/decrease in working capital		(48,719)	122,484
Surrendered to Revenue Fund		(25,206)	(105,320)
Current payments		(706,886)	(531,900)
Payments for financial assets		(851)	(6,408)
Transfers and subsidies paid		(225,928)	(188,707)
Net cash flow available from operating activities	*16*	**63,524**	**101,015**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	*7*	(93,736)	(66,115)
Proceeds from sale of capital assets	*2.3*	1,695	195
Net cash flows from investing activities		**(92,041)**	**(65,920)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		264	(57)
Net cash flows from financing activities		**264**	**(57)**
Net increase/(decrease) in cash and cash equivalents		(28,253)	35,038
Cash and cash equivalents at the beginning of the period		38,381	3,343
Cash and cash equivalents at end of period	*17*	**10,128**	**38,381**

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 1 of 2010.

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.

1.1 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.

1.2 Rounding

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

1.3 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.

1.4 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.
Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

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

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position. No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and subsequently paid into the Provincial Revenue Fund, unless otherwise stated.
Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

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

2.5 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value in the annexures to the Annual Financial Statements.

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

The value of the assistance expensed prior to the receipt of the funds is recognised as a receivable in the Statement of Financial Position.
Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

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

3. Expenditure

3.1 Compensation of employees

3.1.1 Salary and wages

Salaries and wages are expensed in the Statement of Financial Performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

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

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March 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 National Revenue Funds and not in the financial statements of the employer department.
Employer contributions made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

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

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

3.3 Interest and rent on land

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

3.4 Payments for financial assets

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

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

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

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

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

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

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the

statement of financial position.

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

4.2 Other financial assets

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

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

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

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

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

4.5 Investments

Capitalised investments are shown at cost in the Statement of Financial Position.

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

4.6 Loans

Loans are recognised in the Statement of Financial Position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.
Amounts that are potentially irrecoverable are included in the disclosure notes.

4.7 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.
All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.8 Capital assets

4.8.1 Movable assets

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

All assets acquired prior to 1 April 2002 are included in the register R1.

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

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

4.8.2 Immovable assets

Initial recognition
A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

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

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 Contingent assets

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

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance leases

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

Operating leases

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

5.8 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

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

6. Receivables for departmental revenue

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

7. Net Assets

7.1 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 recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

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

8. Related party transactions

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

9. Key management personnel

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

10. Public private partnerships

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

1. Annual Appropriation

1.1 Annual Appropriation 2010/11

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2009/10 R'000
Administration	77,742	77,742	-	62,487
Public Works	896,863	896,863	-	702,337
EPWP	55,477	55,477	-	20,768
Rural Development Programme	32,963	32,963	-	18,377
Total	**1,063,045**	**1,063,045**	**-**	**803,969**

1.2 Conditional grants

		2010/11 R'000	2009/10 R'000
Total grants received	*Note 32*	222,386	185,104
Provincial grants included in Total Grants received		-	-

(It should be noted that the Conditional grants are included in amounts per the Final Appropriation in Note 1.1.)

1.3 Unconditional grants

Total grants received	*Note 33*	36,339	9,118

2. Departmental revenue

	Note		
Sales of goods and services other than capital assets	*2.1*	7,030	5,652
Interest, dividends and rent on land	*2.2*	223	152
Sales of capital assets	*2.3*	1,695	195
Transactions in financial assets and liabilities	*2.4*	816	1,093
Total revenue collected		**9,764**	**7,092**
Less: Own revenue included in appropriation	*14*	9,764	7,092
Departmental revenue collected		**-**	**-**

2.1 Sales of goods and services other than capital assets

	Note 2	2010/11 R'000	2009/10 R'000
Sales of goods and services produced by the department		7,030	5,652
Sales by market establishment		6,204	5,135
Administrative fees		-	-
Other sales		826	517
Sales of scrap, waste and other used current goods		-	-
Total		**7,030**	**5,652**

2.2 Interest, dividends and rent on land

	Note 2		
Interest		223	152
Total		**223**	**152**

2.3 Sale of capital assets

	Note 2		
Tangible capital assets		**1,695**	**195**
Buildings and other fixed structures		1,695	195
Machinery and equipment		-	-
Total		**1,695**	**195**

2.4 Transactions in financial assets and liabilities

	Note 2		
Receivables		469	262
Other Receipts including Recoverable Revenue		347	831
Total		**816**	**1,093**

3. Compensation of employees

3.1 Salaries and Wages

	2010/11 R'000	2009/10 R'000
Basic salary	184,272	165,149
Performance award	3,051	2,790
Service Based	338	358
Compensative/circumstantial	3,001	2,669
Periodic payments	-	20
Other non-pensionable allowances	40,726	32,664
Total	**231,388**	**203,650**

3.2 Social contributions

Employer contributions		
Pension	23,052	21,208
Medical	19,375	15,271
Bargaining council	110	62
Total	**42,537**	**36,541**
Total compensation of employees	**273,925**	**240,191**
Average number of employees	2,029	2,053

4. Goods and services

	Notes	2010/11 R'000	2009/10 R'000
Administrative fees		111	110
Advertising		2,067	1,049
Assets less then R5,000	*4.1*	458	509
Bursaries (employees)		1,412	2,985
Catering		894	1,158
Communications		4,912	4,177
Computer services	*4.2*	1,218	1,288
Consultants, contractors and agency/outsourced services	*4.3*	56,031	27,544
Entertainment		105	230
Audit cost – external	*4.4*	5,380	6,265
Inventory	*4.5*	6,778	8,217
Operating leases		142,494	72,753
Owned and leasehold property expenditure	*4.6*	185,683	152,842
Transport provided as part of the departmental activities		354	93
Travel and subsistence	*4.7*	15,608	12,109
Venues and facilities		91	122
Training and staff development		8,591	257
Other operating expenditure	*4.8*	774	1
Total		**432,961**	**291,709**

4.1 Assets less than R5,000

	Note 4		
Tangible assets			
Machinery and equipment		458	506
Intangible assets		-	3
Total		**458**	**509**

4.2 Computer services

	Note 4		
SITA computer services		943	1,288
External computer service providers		275	-
Total		**1,218**	**1,288**

4.3 Consultants, contractors and agency/outsourced services

	Note 4	2010/11 R'000	2009/10 R'000
Business and advisory services		4,257	3,171
Infrastructure and planning		3,791	812
Legal costs		1,680	2,760
Contractors		46,292	20,801
Agency and support/outsourced services		11	-
Total		**56,031**	**27,544**

4.4 Audit cost – External

	Note 4		
Regularity audits		5,380	6,265
Special Investigations		-	-
Total		**5,380**	**6,265**

4.5 Inventory

	Note 4		
Fuel, oil and gas		41	15
Other consumable materials		3,474	4,626
Maintenance material		1,178	1,451
Stationery and printing		2,085	2,124
Medical supplies		-	1
Total		**6,778**	**8,217**

4.6 Property payments

	Note 4		
Municipal services		182,538	148,512
Other		3,145	4,330
Total		**185,683**	**152,842**

4.7 Travel and subsistence

	Note 4		
Local		15,097	11,976
Foreign		511	133
Total		**15,608**	**12,109**

4.8 Other operating expenditure

		2010/11 R'000	2009/10 R'000
	Note 4		
Resettlement costs		773	-
Other		1	1
Total		**774**	**1**

5. Payments for financial assets

	Note		
Other material losses written off	*5.1*	51	6,408
Debts written off	*5.2*	800	-
Total		**851**	**6,408**

5.1 Other material losses written off

	Note 5		
Nature of losses			
Debt of CETA NFS Programme		-	-
Incorrect salary notches		-	-
Outstanding tax on vehicle and subsistence		-	-
Staff debt written off		-	499
Losses		5	62
Legal losses		-	150
Interest on bank account 2007/2008		-	5,697
Loss of items from the Free State House		46	-
Total		**51**	**6,408**

5.2 Debts written off

Nature of debts written off		
Bursaries	264	-
Leave without pay	64	-
Losses and damages	101	-
Salary deduction	25	-
Salary overpayment	189	-
Shortages	151	-
Tax	6	-
Total	**800**	**-**

6. Transfers and subsidies

	Note		
Provinces and municipalities	*34*	222,376	185,894
Households	*Annex 1B*	3,552	2,813
Total		**225,928**	**188,707**

7. Expenditure for capital assets

	Note	2010/11 R'000	2009/10 R'000
Tangible assets		**93,164**	**66,115**
Buildings and other fixed structures		88,759	63,599
Machinery and equipment	*7.1*	4,405	2,516
Land and subsoil assets		-	-
Software and other intangible assets		**572**	**-**
Computer software	*7.1*	-	-
Other intangibles		572	-
Total		**93,736**	**66,115**
The following amounts have been included as projects costs in expenditure for capital assets			
Compensation of employees		-	**-**
Goods and services		35,058	-
Total		**35,058**	**-**

7.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	93,164	-	93,164
Buildings and other fixed structures	88,759	-	88,759
Machinery and equipment	4,405	-	4,405
Software and other intangibles			
Other intangibles	572	-	572
Total	**93,736**	**-**	**93,736**

7.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	66,115	-	66,115
Buildings and other fixed structures	63,599	-	63,599
Machinery and equipment	2,516	-	2,516
Total	**66,115**	**-**	**66,115**

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	2010/11	2009/10
	R'000	R'000
Opening balance	-	27,574
Unauthorised expenditure – discovered in current year	-	-
Less: Amounts approved by Parliament/Legislature (with funding)	-	(27,574)
Less: Amounts approved by Parliament/Legislature (without funding):		
Current	-	-
Capital	-	-
Less: Amounts transferred to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	**-**	**-**
Analysis of awaiting authorisation per economic classification		
Current	-	-
Capital	**-**	**-**
Total	**-**	**-**

9. Fruitless and wasteful expenditure

9.1 Reconciliation of fruitless and wasteful expenditure

	2010/11 R'000	2009/10 R'000
Opening balance	-	5,698
Less: Amounts condoned	-	(5,698)
Current	-	(5,698)
Capital	-	-
Transfers and subsidies	-	-
Less: Amounts transferred to receivables for recovery		
Fruitless and wasteful expenditure relating to the current year	-	-
	-	-
Fruitless and wasteful expenditure awaiting condonement		
	-	**-**
Analysis of awaiting condonement per economic classification		
Current	-	-
Capital	-	-
Transfers and subsidies	-	-
Total	**-**	**-**

10. Cash and cash equivalents

	2010/11 R'000	2009/10 R'000
Consolidated Paymaster General Account	10,028	38,354
Disbursements	-	10
Cash on hand	100	17
Total	**10,128**	**38,381**

11. Prepayments and advances

Travel and subsistence	50	44
Prepayments	1,569	1,569
Total	**1,619**	**1,613**

12. Receivables

		2010/11				2009/10
		R'000	R'000	R'000	R'000	R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	12.1 & Annex 3	20,197	6,363	36	26,596	45,857
Recoverable expenditure	12.2	7	-	-	7	3
Staff debt	12.3	957	1,109	966	3,032	3,364
Other debtors	12.4	(432)	-	-	(432)	116
Total		**20,729**	**7,472**	**1,002**	**29,203**	**49,340**

12.1 Claims recoverable

	Note 12	2010/11 R'000	2009/10 R'000
National departments		30	2
Provincial departments		26,530	45,819
Public entities		36	36
Private enterprises		-	-
Total		**26,596**	**45,857**

12.2 Recoverable expenditure *(disallowance accounts)*

	Note12	2010/11 R'000	2009/10 R'000
Salary deductions		7	3
Total		**7**	**3**

12.3 Staff debt

	Note12	2010/11 R'000	2009/10 R'000
Fleet Management accidents debts		30	28
State Guarantees debt		15	17
Telephone debt		6	7
Ex-employee debt		1,615	1,754
Employee debt		97	220
Losses/Damages debt		818	436
Subsidised Vehicle debt		24	44
Breach of Contract debt		427	858
Total		**3,032**	**3,364**

12.4 Other debtors

	Note12	2010/11 R'000	2009/10 R'000
Recoverable Revenue		(432)	(612)
Double payment to supplier		-	728
Total		**(432)**	**116**

13. Voted funds to be surrendered to the Revenue Fund

	Note	2010/11 R'000	2009/10 R'000
Opening balance		16,251	99,922
Transfer from Statement of Financial Performance		35,644	10,839
Paid during the year		(16,251)	(94,510)
Closing balance		**35,644**	**16,251**

14. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund

Opening balance		364	4,082
Transfer from Statement of Financial Performance		-	-
Own revenue included in appropriation		9,764	7,092
Paid during the year		(8,955)	(10,810)
Closing balance		**1,173**	**364**

15. Payables – current

Description

	Note	2010/11 R'000	2009/10 R'000
Amounts owing to other entities	*Annex 4*	-	71,783
Advances received	*15.1*	3,110	-
Clearing accounts	*15.2*	42	219
Total		**3,152**	**72,002**

15.1 Advances received

Advance from National EPWP	2,264	-
Tender deposit	13	-
Provincial departments	26	-
W&RSETA	807	-
Total	**3,110**	**-**

15.2 Clearing accounts

	2010/11 R'000	2009/10 R'000
Salaries – Medical Aid	-	-
Salaries – Pension Fund	-	-
Salaries – Income tax	42	219
Total	**42**	**219**

16. Net cash flow available from operating activities

Net surplus as per Statement of Financial Performance	35,644	10,839
Add back non cash/cash movements not deemed operating activities	27,880	90,176
(Increase)/decrease in receivables – current	20,137	18,844
(Increase)/decrease in prepayments and advances	(6)	(1,581)
(Increase)/decrease in other current assets	-	33,272
Increase/(decrease) in payables – current	(68,850)	71,949
Proceeds from sale of capital assets	(1,695)	(195)
Expenditure on capital assets	93,736	66,115
Surrenders to Revenue Fund	(25,206)	(105,320)
Own revenue included in appropriation	9,764	7,092
Net cash flow generated by operating activities	**63,524**	**101,015**

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

Consolidated Paymaster General account	10,028	38,354
Disbursements	-	10
Cash on hand	100	17
Total	**10,128**	**38,381**

18. Contingent liabilities and Contingent assets

18.1. Contingent liabilities

Liable to	Nature	Note	2010/11 R'000	2009/10 R'000
Motor vehicle guarantees			-	-
Housing loan guarantees	Employees	Annex 2A	111	132
Other guarantees			-	-
Claims against the department		Annex 2B	14,193	29,596
Other departments (interdepartmental unconfirmed balances)		Annex 4	39	29
Environmental rehabilitation liability		Annex 2B	1,123,802	1,081,307
Other			-	-
Total			**1,138,145**	**1,111,064**

It is noted to the reader of the Annual Financial Statements that the comparative figure for the Environmental rehabilitation liability has been restated from R539,400,000 to R1,081,307,000 to more accurately reflect the liability. The Environmental rehabilitation liability for 2009/10 has been created based on the number of borrow pits and a rehabilitation cost amount of R110,754 per hectare. The Environmental rehabilitation liability for 2010/11 has been created based on the number of borrow pits and a rehabilitation cost amount of R115,00 per hectare. These cost per hectare amounts were calculated by Enviroworks, which are deemed to be experts in this regard.

It is further noted that, due to borrow pit sizes for all 5,399 borrow pits as included in the asset register not being readily available, an average borrow pit size of 1.81 hectare was calculated based on information currently available. The average size of 1.81 was calculated based on hectare sizes available for 2,297 borrow pits, and is thus management's best estimate for purposes of the Environmental rehabilitation liability.

18.2. Contingent assets

Nature of contingent asset		
Monies in trust at state law advisor for pending property transaction	10,000	10,000
Total	**10,000**	**10,000**

19. Commitments

Current expenditure		
Approved and contracted	51,602	63,974
Approved but not yet contracted	4,184	6,151
	55,786	**70,125**
Capital expenditure (including transfers)		
Approved and contracted	102,608	117,612
Approved but not yet contracted	145	171
	102,753	**117,783**
Total Commitments	**158,539**	**187,908**

Included in the above is a total of R145,000,000 that relates to long-term works projects.
This amount represents the total commitments for these long-term projects payable within the next year and beyond.

20. Accruals

Listed by economic classification	30 Days R'000	30+ Days R'000	2010/11 R'000 Total	2009/10 R'000 Total
Goods and services	1,607	2,914	**4,521**	**7,818**
Transfers and subsidies	9,048	30,859	**39,907**	**63,064**
Capital assets	1,212	4	**1,216**	**11,936**
Other	-	-	**-**	**-**
Total	**11,867**	**33,777**	**45,644**	**82,818**

Listed by programme level	2010/11	2009/10
Programme 1: Administration	3,917	4,904
Programme 2: Public Works Administration	41,691	73,904
Programme 3: EPWP	36	3,385
Programme 4: Rural Development	-	625
Total	**45,644**	**82,818**

	Note		
Confirmed balances with departments	*Annex 4*	-	71,754
Confirmed balances with other government entities	*Annex 4*	-	-
Total		**-**	**71,754**

21. Employee benefits

	2010/11 R'000	2009/10 R'000
Leave entitlement	13,001	11,918
Service bonus (Thirteenth cheque)	8,188	7,528
Performance awards	-	2,791
Capped leave commitments	24,524	23,488
Total	**45,713**	**45,725**

It is noted that the current year figure for leave entitlement includes a negative amount of R401,765.73 that relates to negative leave balances that existed as at 31 March 2011.

22. Lease commitments

22.1 Operating leases expenditure

2010/11	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	137,929	1,886	139,815
Later than 1 year and not later than 5 years	-	223,060	1,372	224,432
Later than five years	-	195,985	-	195,985
Total lease commitments	**-**	**556,974**	**3,258**	**560,232**

2009/10	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	95,371	2,072	97,443
Later than 1 year and not later than 5 years	-	193,375	2,331	195,706
Later than five years	-	166,608	10	166,618
Total lease commitments	**-**	**455,354**	**4,413**	**459,767**

It is noted to the reader of the Annual Financial Statements that the comparative figure for machinery and equipment operating lease commitments has been restated from R2,693,000 to R4,413,000 in total. This restatement was requested by the Free State Fleet Management. Note that the Fleet Management lease commitments are calculated and provided by the Free State Fleet Management, where it is also audited.

22.2 Finance leases expenditure

2010/11	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	132	132
Later than 1 year and not later than 5 years	-	-	19	19
Later than five years	-	-	-	-
Total lease commitments	**-**	**-**	**151**	**151**
LESS: Finance costs	**-**	**-**	**-**	**-**
Total present value of lease liabilities	**-**	**-**	**151**	**151**

2009/10	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	372	372
Later than 1 year and not later than 5 years	-	-	73	73
Later than five years	-	-	-	-
Total lease commitments	**-**	**-**	**445**	**445**
LESS: Finance costs	**-**	**-**	**-**	**-**
Total present value of lease liabilities	**-**	**-**	**445**	**445**

23. Receivables for departmental revenue

	2010/11 R'000	2009/10 R'000
Interest, dividends and rent on land	27,657	24,038
Total	**27,657**	**24,038**

23.1 Analysis of receivables for departmental revenue

Opening balance	24,038	17,322
Less: Amounts received	(4,082)	-
Add: Amounts recognised	7,701	6,716
Closing balance	**27,657**	**24,038**

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2010/11 R'000	2009/10 R'000
Opening balance	237,508	90,884
Add: Irregular expenditure – relating to prior year	-	98,171
Add: Irregular expenditure – relating to current year	31,426	48,453
Less: Amounts condoned	(184,879)	-
Less: Amounts recoverable (not condoned)	(296)	-
Less: Amounts not recoverable (not condoned)	(3,426)	-
Irregular expenditure awaiting condonation	**80,333**	**237,508**
Analysis of awaiting condonation per age classification		
Current year	31,426	48,453
Prior years	48,907	189,055
Total	**80,333**	**237,508**

The comparative figures have been restated, after consultation with Provincial Treasury. Details are as follows:

Opening balance as per Annual Report 2009/10	**90,623**
Unknown variance between register and AFS from prior years	(362)
Amounts not included (wrongly indicated as condoned before, only condoned in 2010/11)	623
Restated opening balance 2009/10	**90,884**

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2010/11 R'000
Tender procedure deviation	Matter under investigation	2,250
SCM policies not properly followed	To be investigated	19,109
Lease expenditure on irregular contracts	To be investigated	10,046
Treasury regulations not followed for cheque payment	To be investigated	21
Total		**31,426**

24.3 Details of irregular expenditure condoned

Incident	2010/11 R'000
Seder House Bethlehem payments	977
Upgrading at the house of the Premier	465
Decoration of the Free State House	310
No lease contract obtained – AG finding Ex.75	6,700
Transfer payments incorrect classification	977
Expired lease contracts	2,557
Contracts – irregular awarding EPWP Unsolicited Bid	3,826
Non compliance with VAT Act – AG finding Ex.137	61,783
Possible irregular expenditure identified by the AG – consultants	98,171
Non compliance to TR 16A6.3(a)(i) & SCM policy – AG finding Ex.99	7,051
Non compliance to TR 16A6.3(a)(i) & SCM policy – AG finding Ex.100	439
Incomplete lease contract – AG finding Ex.162	481
Various SCM findings	166
Various SCM findings	976
Total	**184,879**

24.4 Details of irregular expenditure recoverable (not condoned)

Incident	2010/11 R'000
Huis Vergelegen (SCM process not followed) – transferred to debt	40
Pallisade Fence (SCM process not followed) – transferred to debt	88
WR15/5/2010 (SCM process not followed) – transferred to debt	88
Non compliance with VAT Act – transferred to debt	35
HR manuals not applied – transferred to debt	45
Total	**296**

24.5 Details of irregular expenditure not recoverable (not condoned)

Incident	2010/11 R'000
SCM finding WH-006376 – Registered as a loss	35
Incidents cancelled/ removed from the register	1,987
Incidents transferred to the Department of Police, Roads and Transport	1,153
Transferred to fruitless and wasteful expenditure	251
Total	**3,426**

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	2010/11 R'000	2009/10 R'000
Opening Balance	11,751	8,180
Fruitless and wasteful expenditure–relating to prior year	-	251
Fruitless and wasteful expenditure–relating to current year	1,500	3,327
Less: Amounts condoned	(8,942)	(7)
Less: Amounts transferred to receivables for recovery	(2)	-
Fruitless and wasteful expenditure awaiting condonation	**4,307**	**11,751**

Analysis of awaiting condonation per economic classification

Current	4,307	11,751
Total	**4,307**	**11,751**

25.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/ criminal proceedings	2010/11 R'000
Settlement payment to Sambal Investment (old Sanlam building)	Matter being investigated	1,500
Total		**1,500**

The comparative figures have been restated. Details are as follow:	
Opening balance as per Annual Report 09/10	**8,455**
Unknown variance between register and AFS	(24)
Amount discovered during 09/10 incorrectly included in opening balance	(251)
Restated opening balance 2009/10	**8,180**
Fruitless and wasteful expenditure relating to prior year as per Annual Report 09/10	0
Amount discovered during 09/10 incorrectly included in opening balance	251
Restated fruitless and wasteful expenditure relating to prior year	**251**

26. Related party transactions

The Department of Public Works and Rural Development rented out land and facilities at less than fair market value, during the year under review, to the following Departments:

- Free State Department of Agriculture
- Free State Department of Co-operative Governance and Traditional Affairs
- Free State Department of the Premier
- Free State Department of Economic Development, Tourism and Environmental Affairs
- Free State Department of Education
- Free State Legislature
- Free State Department of Health
- Free State Department of Human Settlement
- Free State Department of Police, Roads and Transport
- Free State Department of Social Development
- Free State Department of Sport, Arts, Culture and Recreation

The Department of Public Works and Rural Development rented out land and facilities at no charge, during the year under review, to the following Departments:

- Free State Department of Agriculture
- Free State Department of Co-operative Governance and Traditional Affairs
- Free State Department of the Premier
- Free State Department of Economic Development, Tourism and Environmental Affairs
- Free State Department of Education
- Free State Legislature
- Free State Department of Health
- Free State Department of Human Settlement
- Free State Department of Police, Roads and Transport
- Free State Department of Social Development
- Free State Department of Sport, Arts, Culture and Recreation
- Free State Treasury

26. Related party transactions

The Department of Public Works and Rural Development rendered services at no charge, during the year under review, to the following Departments. These services include the rendering of administrative and other support during the execution of projects at these Departments.

- Free State Department of Education
- Free State Department of Health
- Free State Department of Sport, Arts, Culture and Recreation
- Free State Department of Economic Development, Tourism and Environmental Affairs
- Free State Department of Social Development

27. Key management personnel

		2010/11 R'000	2009/10 R'000
	No. of Individuals		
Political office bearers (provide detail below)	1 (1)	1,517	1,048
Officials:			
Level 15 to 16	4 (4)	2,933	2,930
Level 14 (incl. CFO if at a lower level)	5 (5)	3,706	3,016
Total		**8,156**	**6,994**

28. Impairment and other provisions

	2010/11 R'000	2009/10 R'000
Impairment		
Staff Debtors	967	1,118
Property receivables	27,488	23,285
Total	**28,455**	**24,403**

29. Non-adjusting events after reporting date

	2010/11 R'000
Effective from 1 April 2011, the Rural Development programme was transferred to the Department of Agriculture. The effect of this will be indicated on the 2011/12 Annual Financial Statements.	-
Total	**-**

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
	22	**-**	**-**	**-**	**22**
Heritage assets	22	-	-	-	22
MACHINERY AND EQUIPMENT	**11,486**	**1,880**	**2,914**	**-**	**16,280**
Transport assets	527	1,201	-	-	1,728
Computer equipment	6,954	(844)	1,120	-	7,230
Furniture and office equipment	2,802	1,161	349	-	4,312
Other machinery and equipment	1,203	362	1,445	-	3,010
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**11,508**	**1,880**	**2,914**	**-**	**16,302**

It is noted to the reader of the Annual Financial Statements that the comparative figures for movable tangible capital assets has been restated in order to align the annual financial statement disclosure with the movable capital assets register.

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**2,831**	**83**	**-**	**-**	**2,914**
Transport assets	-	-	-	-	-
Computer equipment	1,120	-	-	-	1,120
Furniture and office equipment	310	39	-	-	349
Other machinery and equipment	1,401	44	-	-	1,445
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**2,831**	**83**	**-**	**-**	**2,914**

30.2 Disposals

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	-	-	-	
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	**-**	**-**	**-**	**-**

30.3 Movement for 2009/10

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

	Opening balance	Additions	Disposals	Current year adjustments to prior year balances	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	**-**	**22**	**-**	**-**	**22**
Heritage assets	-	22	-	-	22
MACHINERY AND EQUIPMENT	**15,174**	**9,398**	**13,086**	**-**	**11,486**
Transport assets	22	604	99	-	527
Computer equipment	9,344	5,300	7,690	-	6,954
Furniture and office equipment	2,961	1,838	1,997	-	2,802
Other machinery and equipment	2,847	1,656	3,300	-	1,203
TOTAL MOVABLE TANGIBLE ASSETS	**15,174**	**9,420**	**13,086**	**-**	**11,508**

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Opening balance	166	24	10,420	-	**10,610**
Current Year Adjustments to Prior Year balances	-	-	3,800	-	**3,800**
Additions	39	-	621	-	**660**
Disposals	-	-	-	-	**-**
TOTAL	**205**	**24**	**14,841**	**-**	**15,070**

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	83	-	83
Number of minor assets	81	19	17,321	-	17,421
TOTAL	**81**	**19**	**17,404**	**-**	**17,504**

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

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	166	24	10,420	-	10,610
TOTAL	**166**	**24**	**10,420**	**-**	**10,610**

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	83	-	83
Number of minor assets	68	19	11,733	-	11,820
TOTAL	**68**	**19**	**11,816**	**-**	**11,903**

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	(572)	572	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	(572)	572	-	-

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non - Cash	(Development work-in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
OTHER INTANGIBLES	572	-	-	-	572
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	572	-	-	-	572

31.1 Movement for 2009/10

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

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

It is noted to the reader of the Annual Financial Statements that the comparative figure (opening balance) for intangible capital assets has been restated from R545,000 to R0.

The additions for the year ended 31 March 2010 amount has also been restated from R448,000 to R0. This restatement was made due to more accurate asset information available in the current year.

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Curr Year Adjust-ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**66,320,298**	**(22,971,890)**	**859,307**	**(128)**	**44,207,587**
Non-residential buildings	27,575,007	(17,529,150)	848,619	-	10,894,476
Other fixed structures	38,745,291	(5,442,740)	10,688	(128)	33,313,111
HERITAGE ASSETS	**22**	**(22)**	**-**	**-**	**-**
Heritage assets	22	(22)	-	-	-
LAND AND SUBSOIL ASSETS	**280**	**(280)**	**-**	**-**	**-**
Land	280	(280)	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**66,320,600**	**(22,972,192)**	**859,307**	**(128)**	**44,207,587**

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**88,758**	**850,810**	**(80,261)**	**-**	**859,307**
Non-residential buildings	80,261	848,619	(80,261)	-	848,619
Other fixed structures	8,497	2,191	-	-	10,688
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**88,758**	**850,810**	**(80,261)**	**-**	**859,307**

32.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	**128**	**-**	**128**	**1,695**
Non-residential buildings	-	-	-	-
Other fixed structures	128	-	128	1,695
HERITAGE ASSETS				
Heritage assets	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	**128**	**-**	**128**	**1,695**

32.3 Movement for 2009/10

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

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**65,395,070**	**945,666**	**(20,438)**	**66,320,298**
Non-residential buildings	27,487,082	87,981	(56)	27,575,007
Other fixed structures	37,907,988	857,685	(20,382)	38,745,291
HERITAGE ASSETS	**12**	**22**	**(12)**	**22**
Heritage assets	12	22	(12)	22
LAND AND SUBSOIL ASSETS	**280**	**-**	**-**	**280**
Land	280	-	-	280
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**65,395,362**	**945,688**	**(20,450)**	**66,320,600**

32.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER FOR 31 MARCH 2011

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Investment property	Total
	R'000	R'000	R'000	R'000	R'000
R1 Immovable assets	-	-	2,874	-	2,874
TOTAL	**-**	**-**	**2,874**	**-**	**2,874**

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

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Investment property	Total
	R'000	R'000	R'000	R'000	R'000
R1 Immovable assets	-	-	29	-	29
TOTAL	**-**	**-**	**29**	**-**	**29**

33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2009/10	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Devolution of Property rate fund	222,386	-	-	-	222,386	222,386	222,376	100%	140,144	185,095
	222,386	**-**	**-**	**-**	**222,386**	**222,386**	**222,376**		**140,144**	**185,095**

34. STATEMENT OF UNCONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2009/10	
	Amount	Roll Overs	DORA Adjustments	Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Infrastructure Enhancement allocation	36,339	-	-	-	36,339	36,339	32,564	90%	22,118	8,791
	36,339	**-**	**-**	**-**	**36,339**	**36,339**	**32,564**		**22,118**	**8,791**

35. STATEMENT OF CONDITIONAL/UNCONDITIONAL GRANTS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER		
NAME OF MUNICIPALITY	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds withheld	Re-allocations by National Treasury or National department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Dihlabeng FS 192	5,416	-	-	5,416	5,416	-	-
Kopanong FS 162	881	-	-	881	881	-	-
Letsemeng FS 161	300	-	-	300	300	-	-
Mafube FS 205	5,117	-	-	5,117	5,117	-	-
Maluti-a-Phofung FS194	131,838			131,838	131,838	-	-
Mangaung FS172	28,129	-	-	28,129	28,129	-	-
Mantsopa FS173	365	-	-	365	365	-	-
Masilonyana FS181	1,595	-	-	1,595	1,594	-	-
Matjhabeng FS184	10,363	-	-	10,363	10,363	-	-
Metsimaholo FS204	6,188	-	-	6,188	6,187	-	-
Mohokare FS163	505	-	-	505	504	-	-
Moqhaka FS201	4,085	-	-	4,085	4,084	-	-
Nala FS185	1,924	-	-	1,924	1,923	-	-
Naledi FS 171	356	-	-	356	356	-	-
Ngwathe FS 203	6,952	-	-	6,952	6,951	-	-
Nketoana FS 193	2,126	-	-	2,126	2,125	-	-
Phumelela FS195	216	-	-	216	215	-	-
Setsoto FS 191	15,138	-	-	15,138	15,137	-	-
Tokologo FS182	302	-	-	302	301	-	-
Tswelopele FS183	590	-	-	590	590	-	-
		-	-				
	222,386	-	-	222,386	222,376	-	-

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

	GRANT ALLOCATION				TRANSFER	SPENT			2009/10
NAME OF MUNICIPALITY	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Dihlabeng FS 192	5,416	-	-	5,416	5,416	5,416	5,416	100%	5,320
Kopanong FS 162	881	-	-	881	881	881	881	100%	986
Letsemeng FS 161	300	-	-	300	300	300	300	100%	562
Mafube FS 205	5,117	-	-	5,117	5,117	5,117	5,117	100%	2,050
Maluti-a-Phofung FS194	131,838	-	-	131,838	131,838	131,838	131,838	100%	109,482
Mangaung FS172	28,129	-	-	28,129	28,129	28,129	28,129	100%	24,619
Mantsopa FS173	365	-	-	365	365	365	365	100%	291
Masilonyana FS181	1,595	-	-	1,595	1,594	1,594	1,594	100%	3,695
Matjhabeng FS184	10,363	-	-	10,363	10,363	10,363	10,363	100%	12,474
Metsimaholo FS204	6,188	-	-	6,188	6,187	6,187	6,187	100%	3,624
Mohokare FS163	505	-	-	505	504	504	504	100%	1,507
Moqhaka FS201	4,085	-	-	4,085	4,084	4,084	4,084	100%	5,475
Nala FS185	1,924	-	-	1,924	1,923	1,923	1,923	100%	372
Naledi FS 171	356	-	-	356	356	356	356	100%	1,295
Ngwathe FS 203	6,952	-	-	6,952	6,951	6,951	6,951	100%	4,995
Nketoana FS 193	2,126	-	-	2,126	2,125	2,125	2,125	100%	2,114
Phumelela FS195	216	-	-	216	215	215	215	100%	215
Setsoto FS 191	15,138	-	-	15,138	15,137	15,137	15,137	100%	5,305
Tokologo FS182	302	-	-	302	301	301	301	100%	176
Tswelopele FS183	590	-	-	590	590	590	590		537
	222,386	**-**	**-**	**222,386**	**222,376**	**222,376**	**222,376**		**185,094**

ANNEXURE 1B
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2009/10
HOUSEHOLDS	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Household – Claims	58	-	-	58	57	98%	-
Employee Social Benefit	3,499	-	-	3,499	3,495	100%	2,993
Total	**3,557**	-	-	**3,557**	**3,552**		**2,993**

ANNEXURE 1C
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
Received in Cash		-	-
Subtotal		-	-
Received in kind			
Ruwacon	Medals and Trophies	-	37
Haasbroek Contribution	Payment made to KB Tours	-	10
Liberty Life	Departmental Soccer Attire	-	3
ABSA Bank	Water and Banners	-	-
Old Mutual	Free cholesterol tests	-	-
Virgin Active	Assisted with warm-up of all participants	-	-
Subtotal		-	**50**
TOTAL		-	**50**

ANNEXURE 2A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor institution	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	Realised losses not recoverable i.e. claims paid out
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	-	111	-	-	111	-	-
Old Mutual Bank Div	55	-	55	-	-	-	-
FD Dev Corp	77	-	77	-	-	-	-
Total	**132**	**111**	**132**	**-**	**111**	**-**	**-**

ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of Liability	Opening Balance 01/04/2010	Liabilities incurred during the year	Liabilities paid/cancelled/ reduced during the year	Liabilities recoverable	Closing Balance 31/03/2011
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Other claims	29,596	3,166	18,569	-	14,193
	29,596	**3,166**	**18,569**	**-**	**14,193**
Environmental Liability					
Liability to rehabilitate the borrow pits	1,081,307	42,495	-	-	1,123,802
	1,081,307	**42,495**	**-**	**-**	**1,123,802**
Total	**1,110,903**	**45,661**	**18,569**	**-**	**1,137,995**

ANNEXURE 3
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
National Treasury	-	1	-	-	-	1
Free State Premier	2	-	-	-	2	-
Free State Department of Health	-	-	3,177	36,033	3,176	36,033
Free State Department of Sport, Arts and Culture	-	1,386	3,158	5,026	3,158	6,412
Free State Department of Police, Roads and Transport	-	-	683	2,057	683	2,057
Free State Department of Agriculture	82	-	-	-	82	-
Western Cape Department of Education	23	-	-	-	23	-
Free State Department of Cooperative Governance and Traditional Affairs	-	-	19,397	725	19,397	725
Free State Department of Tourism, Economic Development and Environmental Affairs	-	558	-	21	-	579
Free State Provincial Treasury	-	2	-	-	-	2
National Department of Correctional Services	11	-	-	-	11	-
National Department of Foreign Affairs	-	-	19	-	19	-
North West Premier	2	-	-	6	2	6
North West Department of Public Works, Roads and Transport	-	-	-	-	-	-
Mpumalanga Department of Public Works, Roads and Transport	-	-	-	-	-	-
Subtotal	**120**	**1,947**	**26,434**	**43,868**	**26,553**	**45,815**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total balance outstanding	Total balance outstanding
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Other Government Entities						
Free State Fleet Management	7	5	-	-	7	5
South African Police Services	-	-	-	1	-	1
South African Revenue Services	-	-	36	36	36	36
Santum Insurance	-	-	-	-	-	-
Subtotal	**7**	**5**	**36**	**37**	**43**	**42**
Total	**127**	**1,952**	**26,470**	**43,905**	**26,596**	**45,857**

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
PRODIBA	-	-	-	-	**-**	**-**
Tender Deposits	-	-	13	29	**13**	**29**
Western Cape Department of education	-	-	23	-	**23**	**-**
Free State Police, Roads and Transport	-	-	3	-	**3**	**-**
Provincial Treasury	-	71,754	-	-	**-**	**71,754**
Total	**-**	**71,754**	**39**	**29**	**39**	**71,783**

ANNEXURE 5
INVENTORY

	2010/11		2009/10	
Inventory	**Quantity**	**R'000**	**Quantity**	**R'000**
Opening balance	11,818	176	12,777	69
Add/(Less): Adjustments to prior year balance	-	-	-	-
Add: Additions/Purchases - Cash	66,496	5,742	87,380	9,833
Add: Additions - Non-cash	-	-	-	-
(Less): Disposals	-	-	-	-
(Less): Issues	(64,647)	(5,771)	(88,154)	(9,724)
Add/(Less): Adjustments	-	1	(185)	(2)
Closing balance	**13,667**	**148**	**11,818**	**176**

PART E: HUMAN RESOURCES MANAGEMENT OVERSIGHT REPORT

ANNUAL REPORT

2010 - 2011

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1. Employment and Vacancies

1.1. Employment and vacancies by programme as at 31 March 2011

Budget Programmes	Number of Posts	Number of Posts filled	Vacancy Rate
Programme 1: Administration	425	220	48.2%
Programme 2: Public Works	2,674	1,756	34.3%
Programme 3: Expanded Public Works Programme	37	23	37.8%
Programme 4: Rural Development	0	0	0%
TOTAL	**3,136**	**1,999**	**36.3%**

1.2. Employment and vacancies by salary bands

Salary bands	Number of Posts	Number of Posts filled	Vacancy Rate
Lower skilled (Levels 1-2)	1,327	760	42.7%
Skilled (Levels 3-5)	934	754	19.3%
Highly skilled production (Levels 6-8)	526	278	47.1
Highly skilled supervision (Levels 9-12)	213	80	62.4
Senior management (Levels 13-16)	27	18	33.3
Contract (Levels 1-2)	80	80	0
Contract (Levels 3-5)	21	21	0
Contract (Levels 6-8)	3	3	0
Contract (Levels 9-12)	3	3	0
Contract (Levels 13-16)	2	2	0
TOTAL	**3136**	**1999**	**36.3**

1.3. Employment and vacancies by salary bands Employment and vacancies by critical occupation

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate
Administrative related	141	55	61%
All artisans in the building metal machinery etc.	183	134	26.8%
Architects	11	1	90.9%
Artisan project and related superintendents	9	4	55.6%
Building and related workers	1	1	0
Building and other property caretakers	300	77	74.3%
Computer Programmers.	3	1	66.7%
Electrical and electronics engineering technicians	32	6	81.3%
Engineering sciences related	13	4	69.2%
Engineers and related professionals	24	6	75%
Finance and economics related	5	2	60%
Financial and related professionals	22	6	72.7%

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate
Inspectors of apprentices works and vehicles	96	55	42.7%
Other information technology personnel	14	7	50%
Quantity surveyors & Related Professionals	16	6	62.5%
Risk management and security services	8	4	50%
Road trade workers	1	1	0
Road workers	114	92	19.3%
Senior Managers	29	21	27.6%
Trade Labourers	378	354	6.3%
Water plant and related operators	2	0	100%
TOTAL	**1,402**	**837**	**36.3%**

2. Job Evaluation

2.1. Jobs that were evaluated during the 2010/2011 are summarised in the table below:

Salary Bands	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	1,327	0	0	0	0	0	0
Contract (Levels 1-2)	80	0	0	0	0	0	0
Contract (Levels 3-5)	21	0	0	0	0	0	0
Contract (Levels 6-8)	3	0	0	0	0	0	0
Contract (Levels 9-12)	3	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	934	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	526	* 45	8.6%	6	13%	0	0
Highly skilled supervision (Levels 9-12)	213	* 3	1.4%	3	100%	0	0
Senior Management Service Band A	19	#2	14.28	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	**3,136**	**50**	**1.6%**	**9**	**18%**	**0**	**0**

* Works Inspectors transferred from the Department of Education

New Rural Development SMS posts

2.2. The table below summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation:

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	0
Total	0	0	0	0
Percentage of total employment	0	0	0	0

2.3. The table below summarises the beneficiaries of the above in terms of race, gender, and disability:

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Total number of employees whose salaries exceeded the grades determined by job evaluation in 2010/2011:	0

3. Employment Changes

This section provides information on changes in employment over the 2010/2011 financial year.

3.1. Terminations for the period

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	**0**
Senior Management	0	0	0	0	0	0	0	0	**0**
Professionally qualified and experienced specialists and middle-management	1	0	0	0	0	0	0	1	**2**
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	1	1	0	0	2	**12**
Semi-skilled and discretionary decision making	26	1	0	0	12	0	0	0	**39**
Unskilled and defined decision making	29	0	0	0	38	0	0	0	67
Contract appointments	44	0	0	5	42	0	0	4	95
Total	**108**	**1**	**0**	**6**	**93**	**0**	**0**	**7**	**215**

Employees with disabilities	0	0	0	0	0	0	0	0	0

3.2. Annual turnover rates by salary band

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations and transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	779	0	67	8.6%
Skilled (Levels 3-5)	789	5	39	4.9%
Highly skilled production (Levels 6-8)	295	2	12	4.1%
Highly skilled supervision (Levels 9-12)	64	10	2	3.1%
Senior Management Service Band A	11	2	0	0
Senior Management Service Band B	4	1	0	0
Senior Management Service Band C	2	0	0	0
Senior Management Service Band D	1	0	0	0
Contract (Levels 1-2)	56	131	53	94.6%
Contract (Levels 3-5)	29	33	34	117%
Contract (Levels 6-8)	1	8	2	200%
Contract (Levels 9-12)	4	7	5	125
Contract (Band A)	1	2	1	100%
Contract (Band D)	1	0	0	0
TOTAL	**2,037**	**201**	**215**	**10.6**

3.3. Annual turnover rates by critical occupation

Critical Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Administrative related	44	9	2	4.5%
All artisans in the building metal machinery etc	115	29	9	7.8%
Architects	1	0	0	0
Artisan project and related superintendents	6	0	0	0
Building and related workers	4	0	0	0
Building and other property caretakers	69	0	1	1.4%
Computer programmers	1	0	0	0
Electrical and electronics engineering technicians	13	2	8	61.5%
Engineering sciences related	4	0	0	0
Engineers and related professionals	3	6	3	100%
Finance and economics related	4	0	0	0
Financial and related professionals	4	1	1	25%
Financial clerks and credit controllers	8	3	1	12.5%
Quantity surveyors & related Professional	2	2	0	0
Risk management and security services	5	0	1	20%
Road trade workers	1	0	0	0
Road workers	107	0	17	15.9%
TOTAL	**391**	**52**	**43**	**10.9%**

3.4. The table below identifies the major reasons why staff left the Department

Termination Type/ Reasons	Number	Percentage of Total Terminations	Percentage of Total Employment	Total Employment [01 April 2010]
Death	38	17.7%	1.9%	2,037
Resignation	9	4.2%	0.4%	2,037
Expiry of contracts	93	43.3%	4.6%	2,037
Discharged due to ill-health	3	1.4%	0.1%	2,037
Dismissal – misconduct	0	0	0%	2,037
Retirement	69	32.1%	3.4%	2,037
Transfer to other Public Service Departments	3	1.4%	0.1%	2,037
Total	**215**	**100**	**10.5%**	**2037**

Resignations as % of Employment	**10.9%**

4. Promotions

4.1. Promotions for the period

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management.	1	0	0	0	0	0	0	0	1

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Skilled technical and academically qualified workers, junior management, supervisors, foremen	40	7	0	14	35	1	0	16	113
Semi-skilled and discretionary decision making	431	17	0	3	236	9	0	4	700
Unskilled and defined decision making	265	1	0	0	392	5	0	0	663
Contract (Top Management)	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Skilled technical)	0	0	0	0	1	0	0	0	1
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
TOTAL	**735**	**25**	**0**	**17**	**664**	**15**	**0**	**20**	**1,472**

Employees with disabilities	9	0	0	0	3	0	0	3	15

4.2. Promotions by critical occupations

Critical Occupation	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	44	4	9.1%	27	61.4
All artisans in the building metal machinery etc.	115	0	0	4	3.5
Architects town and traffic planners	1	0	0	0	0
Artisan project and related superintendents	6	0	0	0	0
Building and related workers	4	0	0	4	100
Building and other property caretakers	69	0	0	61	88.4
Computer programmers.	1	0	0	1	100
Electrical and electronics engineering technicians	13	0	0	0	0
Engineering sciences related	4	0	0	0	0
Engineers and related professionals	3	0	0	0	0
Finance and economics related	4	0	0	1	25
Financial and related professionals	4	0	0	3	75
Financial clerks and credit controllers	8	0	0	5	62.5
Quantity surveyors & related professionals	2	0	0	0	0
Risk management and security services	5	0	0	2	40
Road trade workers.	1	0	0	1	100
Road workers	107	0	0	88	82.2
TOTAL	**391**	**4**	**1,0%**	**197**	**50,4**

4.3. Promotions by salary bands

Salary Bands	Employment at Beginning of Period (April 2010)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2)	779	2	0.3%	661	84.9
Skilled (Levels 3-5)	789	4	0.5%	696	88.2
Highly skilled production (Levels 6-8)	295	3	1%	110	37.3
Highly skilled supervision (Levels 9-12)	64	4	6.3%	32	50
Senior management (Levels 13-16)	18	1	5.6%	0	0
Contract (Levels 1-2)	56	0	0	0	0
Contract (Levels 3-5)	29	0	0	1	3.4
Contract (Levels 6-8)	1	0	0	0	0
Contract (Levels 9-12)	4	0	0	0	0
Contract (Levels 13-16)	2	0	0	0	0
TOTAL	**2037**	**14**	**0.7%**	**1500**	**73.6**

5. Employment Equity

5.1. Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2011

Occupational Categories	Male, African	Male, Coloured	Male, White	Female, African	Female, Coloured	Female, White	Total
Legislators, senior officials and managers	11	0	3	5	0	0	19
Professionals	17	0	9	13	0	4	43
Technicians and associate professionals	33	0	11	34	3	9	90
Clerks	33	2	6	76	3	32	152
Service and sales workers	340	20	8	203	5	3	579
Craft and related trades workers	137	1	29	32	0	0	199
Plant and machine operators and assemblers	20	0	0	1	0	0	21
Elementary occupations	417	3	2	455	5	1	883
Other	5	2	0	6	0	0	13
TOTAL	**1013**	**28**	**68**	**825**	**16**	**49**	**1999**

5.2. Total number of employees (including employees with disabilities) in each of the following occupational bands

Occupational Bands	Male, African	Male, Coloured	Male, White	Female, African	Female, Coloured	Female, White	Total
Top Management	1	0	0	0	0	0	1
Senior Management	9	0	3	5	0	0	17
Professionally qualified and experienced specialists and mid-management	33	0	18	23	2	4	80
Skilled technical and academically qualified workers, junior management, supervisors, foremen	137	8	43	48	1	41	278

Occupational Bands	Male, African	Male, Coloured	Male, White	Female, African	Female, Coloured	Female, White	Total
Semi-skilled and discretionary decision making	469	16	4	253	8	4	754
Unskilled and defined decision making	306	4	0	445	5	0	760
Contract (Top Management)	0	0	0	1	0	0	1
Contract (Senior Management)	1	0	0	0	0	0	1
Contract (Professionally qualified)	1	0	0	2	0	0	3
Contract (Skilled technical)	2	0	0	1	0	0	3
Contract (Semi-skilled)	11	0	0	10	0	0	21
Contract (Unskilled)	43	0	0	37	0	0	80
TOTAL	**1013**	**28**	**68**	**825**	**16**	**49**	**1999**

5.3. Recruitment for the period

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	4	0	0	2	2	0	0	2	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	1	0	0	0	4	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Top Management)	1	1	0	0	0	0	0	0	2
Contract (Professionally qualified)	2	0	0	2	3	0	0	0	7
Contract (Skilled technical)	4	0	0	0	4	0	0	0	8
Contract (Semi-skilled)	13	1	0	2	15	0	0	2	33
Contract (Unskilled)	75	0	0	0	56	0	0	0	131
TOTAL	**103**	**2**	**0**	**6**	**86**	**0**	**0**	**4**	**201**

Employees with disabilities	0	0	0	0	0	0	0	0	0

6. Disciplinary Action

6.1. Disciplinary action for the period 1 April 2010 to 31 March 2011

	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Disciplinary action	5	-	-	1	3	-	-	-	9

7. Performance Rewards

The department has granted performance rewards during the year under review to encourage good performance. The information is presented in terms of race, gender, and salary bands and critical occupations.

7.1. Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	197	822	24%	1,125	5,708
African, Male	188	1003	18.7%	1,138	6,052
Coloured, Female	7	16	43.8%	46	6,557
Coloured, Male	14	28	50%	66	4,697
White, Female	33	46	71.7%	332	10,062
White, Male	25	68	36.8%	295	11,788
Employees with a disability	7	16	43.8%	38	5,411
TOTAL	**471**	**1,999**	**23.6%**	**3,039**	**6,452**

7.2. Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	123	747	16.5%	474	3,854
Skilled (Levels 3-5)	192	758	25.3%	803	4,182
Highly skilled production (Levels 6-8)	117	282	41.5%	989	8,453
Highly skilled supervision (Levels 9-12)	37	83	44.6%	748	20,216
Contract (Levels 1-2)	0	80	0	0	0
Contract (Levels 3-5)	1	21	4.8%	4	4,000
Contract (Levels 6-8)	0	3	0	0	0
Contract (Levels 9-12)	1	3	33.3%	21	21,000
Periodical Remuneration	0	0	0	0	0
TOTAL	**471**	**1977**	**23.8%**	**3,039**	**6,452**

7.3. Service Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	31	51	60.8%	629	20,290
All artisans in the building metal machinery etc.	0	134	0	0	0
Architects town and traffic planners	0	1	0	0	0
Artisan project and related superintendents	0	4	0	0	0

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Building and related workers	1	4	25%	5	5,000
Building and other property caretakers	18	68	26.5%	54	3,000
Computer programmers.	1	1	100%	7	7,000
Electrical and electronics engineering technicians	0	6	0	0	0
Engineering sciences related	0	4	0	0	0
Engineers and related professionals	0	6	0	0	0
Finance and economics related	2	3	66.7%	45	22,500
Financial and related professionals	4	4	100%	28	7,000
Financial clerks and credit controllers	2	10	20%	9	4,500
Other information technology personnel.	2	7	28.6%	15	7,500
Quantity surveyors & rela prof not class elsewhere	0	6	0	0	0
Risk management and security services	4	4	100%	36	9,000
Road trade workers.	0	1	0	0	0
Road workers	3	84	3.6%	16	5,333
TOTAL	**68**	**398**	**23.6%**	**844**	**6,454**

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

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	0	13	0	0	0	0	0
Band B	0	6	0	0	0	0	0
Band C	0	1	0	0	0	0	0
Band D	0	2	0	0	0	0	0
TOTAL	**0**	**22**	**0**	**0**	**0**	**0**	**0**

8. Foreign Worker, 1 April 2008 to 31 March 2009, by major occupation

Major Occupation	1 April 2010		28 February 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Engineering Professionals	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

9. Leave Utilisation for the period 1 January 2010 to 31 December 2010

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

9.1. Sick leave, 1 January 2010 to 31 December 2010

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	3879	96.2	427	35	9	879
Skilled (Levels 3-5)	4489	91.8	505	41.4	9	1,209
Highly skilled production (Levels 6-8)	2108	91.5	207	17	10	1,132
Highly skilled supervision (Levels 9-12)	415	90.4	49	4	8	439
Senior management (Levels 13-16)	53	84.9	9	0.7	6	127
Contract (Levels 1-2)	72.5	93.8	11	0.9	7	15
Contract (Levels 3-5)	44	93.2	7	0.6	6	13
Contract (Levels 9-12)	5	80	4	0.3	1	9
Contract (Levels 13-16)	6	100	1	0.1	6	29
Total	**11071.5**	**93.2**	**1220**	**100**	**9**	**3852**

9.2. Disability leave (temporary and), 1 January 2010 to 31 December 2010

Salary Band	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	491	100	6	37.5	82	116
Skilled (Levels 3-5)	226	100	5	31.3	45	68
Highly skilled production (Levels 6-8)	372	100	4	25	93	223
Highly skilled supervision (Levels 9-12)	5	100	1	6.3	5	4
Senior management (Levels 13-16)	**0**	**0**	**0**	**0**	**0**	**0**
Total	**1094**	**100**	**16**	**100**	**68**	**411**

The tables below summarise the utilisation of annual leave.

9.3. Annual Leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	17,907.76	22
Skilled Levels 3-5)	17,710.04	22
Highly skilled production (Levels 6-8)	6,601.4	21
Highly skilled supervision(Levels 9-12)	1503	20
Senior management (Levels 13-16)	255	16
Contract (Levels 1-2)	140	5
Contract (Levels 3-5)	132	8
Contract Highly skilled production (Levels 6-8)	14	7
Contract Highly skilled supervision (Levels 9-12)	80	11
Total	**44,343.2**	**21**

9.4. Capped leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010
Lower skilled (Levels 1-2)	156	7	45
Skilled Levels 3-5)	170	5	62
Highly skilled production (Levels 6-8)	74	6	49
Highly skilled supervision(Levels 9-12)	1	1	61
Senior management (Levels 13-16)	0	0	0
Total	**401**	**6**	**52**

10. Labour Relations

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

10.1. Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Correctional counseling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	19	76
Suspended without pay	3	12
Fine	0	0
Demotion	0	0
Dismissal	3	12
Not guilty	0	0
Case withdrawn	0	0
Total	**25**	**100**

Disciplinary hearings – 2010/2011

10.2. Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Fraud/Corruption	4	44,4
Theft	0	0
Assault	0	0
Negligence	4	44,4
Insubordination	1	11,2
Absenteeism	0	17
Improper Behavior (=alcohol abuse)	0	17
Total	**9**	**100**

10.3. Grievances lodged for the period 1 April 2010to 31 March 2011

Description	Number	% of Total
Number of grievances resolved	15	94
Number of grievances not resolved	1	6
Total number of grievances lodged	**16**	**100**

10.4. Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011

Description	Number	% of Total
Number of disputes upheld	1	10
Number of disputes withdrawn	9 at union	90
Number of disputes dismissed	0	0
Total number of disputes lodged	**10**	**100**

10.5. Precautionary suspensions for the period 1 April 2010 to 31 March 2011

Number of people suspended	Number
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	156
Cost (R'000) of suspensions	R2,250,204

11. Skills Development

This section highlights the efforts of the department with regard to skills development.

11.1. Training provided 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Training Conducted 2010/11		
		Learnerships	Skills Programs & other short courses	Total
Legislators, senior officials and managers	Female	0	1	1
	Male	0	2	2
Professionals	Female	0	13	13
	Male	0	18	18
Technicians and associate professionals	Female	3	30	33
	Male	4	24	28
Clerks	Female	0	68	68
	Male	0	19	19
Service and sales workers	Female	0	168	168
	Male	0	269	269
Craft and related trades workers	Female	0	22	22
	Male	0	78	78
Plant and machine operators and assemblers	Female	0	0	0
	Male	0	0	0

Occupational Categories	Gender	Training Conducted 2010/11		
		Learnerships	Skills Programs & other short courses	Total
Elementary occupations	Female	0	318	318
	Male	0	151	151
Other	Female	0	0	0
	Male	0	0	0
Sub Total	Female	3	620	623
	Male	4	561	565
Total		7	1,181	1,188

12. Injury on Duty

12.1. Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	50%
Temporary Total Disablement	2	33.3%
Permanent Disablement	1	16.6%
Fatal	0	0
Total	**6**	**100%**

13. Employee Wellness: Hiv And Aids And Health Promotion Programmes

Details of Health Promotion and HIV and AIDS Programmes

Questions	Yes	Provide detailed progress with regard what has been done, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes	Stan Diakos: Director Human Resource Management The function is coordinated by Special Programmes Unit. The Director Human Resource is accountable to the head of Department for its implementation
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes	Special Programmes Unit is responsible for the following functions: · Special programmes dealing with gender mainstreaming · Employee Health and Wellness
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	Yes	The Department has an employee assistance programme whose essence is to provide employees and their families with opportunities to obtain assistance for variety of social problems which may affect their continued functioning as productive members of the Department i.e. counseling, health screening, awareness campaigns and others.

Questions	Yes	Provide detailed progress with regard what has been done, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes	Peer Educator Committee has been established constituted by mainly people in the different components of the Department in all the districts.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes	The Department has an HIV/AIDS policy which provides a framework of action when dealing with HIV and AIDS.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes	The Department's HIV/AIDS policy deals directly with such incidences.
7. Does the department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that you have you achieved.	Yes	There are periodic sessions held with the employees and employees are encouraged to participate in the Voluntary Couhnseling and Testing. The confidentiality of the results is normally safe guarded. 192 employees were tested. 16 employees ranging in all ages and genders tested positive during the year under review.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes	The department has developed indicators to promote and monitor: · condoms distribution, · promotional materials distribution, · employees participating in Voluntary Counseling and Testing and receiving counseling · Number of labour relation cases due to HIV and AIDS discrimination, victimisation and stigmatisation · Number of HIV and AIDS disclosures

SECTION E: SERVICE DELIVERY IMPROVEMENT REPORT – SECUIRTY SERVICES

Key Service to be Improved	Service Beneficiaries	Current Standard	Desired Standard	Progress Remarks
Ensure a safe and secure environment for Government Officials and the General public.	· Officials · Public	**Service Quantity Standard** ● 28 Service points are currently manned by Physical Security.	Services to be improved in three buildings (Lebohang, Medfontein and Provincial Government building).	● Visitors' cards introduced with different colours per floor for identification purposes. ● Two access cards machines have been introduced one in Lebohang and the other in Provincial Government Building to bring services nearer to users. ● Walk-through security scanners and metal detectors were introduced at main entrances of Lebohang and Provincial Government Buildings
		Service Quality Standard: ● Training is not based on critical priorities as per strategic imperatives.	In service coaching and mentoring.	● Security Training Unit established. ● In service training also conducted at security service points. ● 47 security personnel received training on various competencies during the year under review (e.g. Anti- Corruption, Batho Pele, Report Writing, Records Management and Security Management, Monitoring and Evaluation and Coaching and Mentoring.

Key Service to be Improved	Service Beneficiaries	Current Standard	Desired Standard	Progress Remarks
Ensure a safe and secure environment for Government Officials and the General public.	· Officials · Public	**Consultation**	Strengthen security awareness campaigns.	• Information sessions on security awareness conducted. • Evacuation drills conducted to test the readiness in times of emergencies
		Information Lack of knowledge of services housed in various buildings	Information sessions on security related issues.	• Telephone directory available at all security access points • Parades are held daily for information dissemination and distribution
		Redress No redress strategy.	Display security service charter (contact person of person in charge)	• Important numbers of managers are displayed at security access points

Key Service to be Improved	Service Beneficiaries	Current Standard	Desired Standard	Progress Remarks
Ensure a safe and secure environment for Government Officials and the General public.	· Officials · Public	**Access**		
		· No service standards displayed at access points.	Database of available services for each department.	• Database is available at all entrances as to the services offered by other departments • Access requirements are displayed at all security service points
		· Access to public not allowed during lunch time	Display standard access will be provided within 3 minutes to all citizens visiting buildings under Public Works and Rural development.	• Access requirements and business times are displayed at all security service points
		Courtesy		
		· Lack of customer relations	Training on Batho Pele Change Management Engagement Programme and Customer care.	• Security officers are continually trained on how to incorporate Batho Pele principles in their daily activities and as well as to be courteous.
		Value for Money		
		Reduction in incidents of thefts	Zero tolerance to theft	• Reported cases are investigated • Access control is done and vehicles are searched.

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