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PART A

GENERAL INFORMATION

1. REMARKS BY THE MEMBER OF THE EXECUTIVE COUNCIL



The 2009/2010 financial year Annual Report by the Department of Public Works and Rural Development provides a comprehensive overview of the department's contribution to the programme of government in responding to the needs of our people.

It is an opportune moment to take stock of what the department has achieved and to use the experience to do things better and more efficiently.

During the year under review the function, Rural Development was added to the Department of Public Works to form the Department of Public Works and Rural Development with the mission to coordinate, monitor and evaluate the implementation of rural development throughout the province during this political term of government. The Rural Development mandate is drawn from the Cabinet's 2009 Medium Term Strategic Framework third 'strategic priority' for government clusters, to provide comprehensive rural development linked to land and agrarian reform and assuring food security.

The department is committed to meet its mandate for the development and delivery of the socio-economic infrastructure in both urban and rural areas. We continue to contribute to the building of capacity and organisation of the state governance through increasing the effective and efficient function of our department.

Although we had successes in some areas, there are some priority areas that still require urgent attention.

The department remains central to the development of infrastructure for all government departments in the province. We will continue to use infrastructure development as a central pillar against underdevelopment, unemployment and poverty.

We will intensify our work particularly paying focus to the key pillar programmes, namely, Property Management, Rural Development, Expanded Public Works Programme and Infrastructure Provision.

Partnerships are critical in bringing quality service. We will improve coordination and partnership between government departments and other stakeholders. In the next financial year, we will continue to push the frontiers of poverty by accelerating infrastructure delivery and the development of rural areas.

A handwritten signature in black ink, appearing to read 'M. Ngubentombi', with a long horizontal stroke extending to the left.

Ms Fundiswa Ngubentombi
MEC: Public Works and Rural Development

Date: 31 May 2010

2.0 INTRODUCTION BY THE HEAD OF THE INSTITUTION

The 2009/2010 Annual report gives an account of the Departments service delivery achievements in line with the mandate which is geared towards rural development and socio-economic infrastructure.

The Department is eagerly and robustly driving the development of infrastructure in order to enhance the economic development programme which is about strengthening the productive capacity of our economy for decent jobs and sustainable livelihoods.

During the 2009/2010, Rural Development function was added to the Department of Public Works to form the Department of Public Works and Rural Development. Much of the department's work in this area of rural development in the year under review had been based on pilot projects in Thabo Mofutsanyana (Diyatalawa and Makgolokweng), Xhariep (Jagersfontein and Bethani), Lejweleputswa (Henneman), Motheo (Thaba Nchu), Fezile Dabi (Cornelia). Comprehensive Rural Development Programme Framework has been used to guide the implementation of the pilot projects.

In Reclaiming Public Works Mandate, the department together with the department of Education have put processes and systems in place to ensure the transfer of capital works function and its staff component to the Department. The process will only be concluded when the works function from other provincial departments is transferred to the Department of Public Works and Rural Development. We have successfully completed several projects in Health, Education, Sports, Arts, Culture and Recreation. The 15 platooning schools were also fast tracked, thereby ensuring the provision of quality educational facilities. With provision of Infrastructure, development opportunities were provided to the emerging contractors for them to compete successfully in the built and construction industry.

Transformation of the property industry is top on our agenda; there is an urgent need to improve the patterns of ownership in this sector. We will however continue to strive to change the property relations in the province.

As the custodian of government property in the province, we have developed a credible Asset Register which will be updated on a continuous basis. In the 2010/2011 financial year we will be finalizing the custodian asset management plan that will cater for all departments in the Province. This plan will contribute to the economic growth and development of the Province.

During the year under review, we have successfully spent R185,104.00 budget allocated for rates and taxes. We will continue to work closely with municipalities in assisting them with accurate invoicing.



Whilst we managed to create 38,467 work opportunities across all sectors where the major beneficiaries were youth and women, we can still do better. As the champion of Expanded Public Works Programme we shall improve our coordination and ensure that all public bodies encompass the EPWP principles and guidelines as they implement their projects.

Key management and critical posts central to the core business of the Department were filled by suitably qualified and experienced incumbents. As the Department, we believe that we are in a right course towards meeting the reconstruction and development strategic objective.

A handwritten signature in black ink, appearing to read 'E. Nthongo'.

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

Date: 31 May 2010

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3. VISION AND MISSION

The Departmental vision of “A prosperous Free State through facilitation of sustainable infrastructure and enhanced rural development” is being accomplished through the coordination, provision, promotion, and sound management of assets, infrastructure and social systems aimed at sustainable provincial and rural development.

4. VALUES

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

- Commitment
- Batho Pele
- Interdependence
- Integrity and Fairness
- Transparency
- Honesty
- Respect

5. CORE FUNCTIONS OF THE DEPARTMENT

- Public works construction and maintenance
- 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 the Rural Development
- Security Management for interdepartmental buildings

6. LEGISLATIVE MANDATE

The legislative and policy imperatives 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.

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7. VOTED FUNDS

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/Under Expenditure
Vote 9	R709, 096,000	R803, 969,000	R793, 130,000	R10, 839,000

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

8. 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.

9. BUDGET PROGRAMMES, STRATEGIC GOALS AND SERVICE DELIVERY ACHIEVEMENTS

9.1 Budget Programmes

The Departmental strategic goals and objectives are operationalised within the following four budget programmes:

- Programme 1: Administration
- Programme 2: Public Works
- Programme 3: Expanded Public Works Programme
- Programme 4: Rural Development

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9.2 Strategic goals and objectives

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

BUDGET PROGRAMMES	STRATEGIC GOALS	STRATEGIC OBJECTIVES
Programme 1: Administration	1. A capable and skilled workforce that is supported and strengthened towards service excellence	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 a culture of excellence. 1.4 Ensure compliance to the principles of good governance 1.5 Provide a safe and secure environment.
Programme 2: Public Works	2. A transformed and effective construction and property industry that promotes government's objectives.	2.1. Create an enabling environment that facilitates and promotes sustainable infrastructure investment in the Free State. 2.2. Provide leadership to the property industry towards promoting sustainable economic growth, transformation and development. 2.3. Manage Provincial Government owned and leased Immovable Assets effectively
Programme 3: Expanded Public Works Programme	3. Massification of Expanded Public Works Programme	3.1 Mobilize all stakeholders towards the successful implementation of the EPWP. 3.2 Co-ordinate the implementation of EPWP within the Free State Province. 3.3 Monitor and evaluate the impact of EPWP in the Province.
Programme 4: Rural Development	4. Creation of an environment for developing sustainable economic growth and social development programmes in rural areas.	4.1 Ensure access to rural areas and links to the mainstream economy. 4.2 Mobilise and coordinate all stakeholders towards the successful implementation of rural development. 4.3 Stimulate economic activity and development programmes within rural communities.

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9.3 Significant Service Delivery Achievements

A concise description of the significant achievements made with regard to the implementation of the strategic objectives during the 2009/2010 financial year is reflected below:

9.3.1 Programme 1: Administration

Recruitment and Human Capital Development

Appointments in core skills were made during the period under review. These appointments assisted in closing some of the gaps in management and technical fields. The recruitment and selection process underscored the challenge that the government is facing with regard to the scarcity of skills within the professional engineering and related fields.

The absorption of bursary holders from the engineering related fields and the Department's insistence on engineering expertise as well as skills transfer from the existing in-house training in the fields of mechanical, civil and electrical engineering mitigates the scarcity of skills.

Enterprise-wide Risk Management

The principle of Batho Pele requires prudent risk management to form the basis for government's service delivery programmes. The Department has entrenched enterprise risk management in strategic planning to assist with the achievement of set objectives with minimum risk.

The uniqueness of challenges such as limited resources and competing objectives, together with stakeholders and public expectations of service delivery, escalates the need for risk-averse decision making. With the implementation of Enterprise-wide Risk Management within the Department, appropriate capabilities will be created.

An organizational performance analysis had been conducted at each quarterly review meetings to assess the achievements of the Department against annual planned targets in order to enhance performance.

Reclaiming Department's Mandate

The Departments of Education and Public Works and Rural Development, have put in place processes and systems to ensure that the transfer of 35 staff from the Department of Education is effected from 1 April 2010. The process to transfer staff from other departments will be embarked upon in a phased approach.

Procuring services from the Historically Disadvantaged Individuals (HDIs)

The Department is bound by policy and legislation to implement measures aimed at redressing the imbalances of the past. 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.

Over the past financial year, the Department has made a considerable effort at making the procurement opportunities available to Historically Disadvantaged Individuals, Women, Youth, and the disabled owned enterprises.

The table below reflects these attempts.

Bids Awarded	Total
Total bids awarded in 2009/2010	7
Total Rand Value (R million)	R 59,326m
No. of bids awarded to HDI Companies	3
Amount to HDIs (R mil)	R11,627m
Percentage no. of bids awarded to HDIs	19%

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9.3.2 Programme 2: Public Works

Enhance and accelerate infrastructure delivery

Works construction and maintenance prime aim 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. In 2009/2010, 57 projects were allocated for execution of which 35 were multiyear projects. 24 Projects to the value of R453m were completed on behalf of client departments.

Property Management Sub-programme

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 applies Broad Based Black Economic Empowerment objectives, and reward companies that apply equity allocation to historically disadvantaged individuals as well as promoting skills development in the industry. In the 2009/2010 financial year, 19% of the rental payments were made to Historically Disadvantaged Individuals to the value of R 22.9m.

Timely Payment of Municipal Utilities, Rates and Taxes

The Department ensures regular payments of municipal accounts in contribution to their financial viability. Frequent visits and consultation with municipalities has resulted in all 20 local municipalities submitting their rates and taxes invoices. Consequently, 2009/2010 budget of R185,104m was spent for payment of rates and taxes.

Fighting Crime and Corruption

The Department, as a custodian of provincial government property, provides and secure a safe environment for government assets and citizens. The following measures were put in place in order to curb incidences of theft and corruption through vetting, screening of personnel, security audits and security risk assessments.

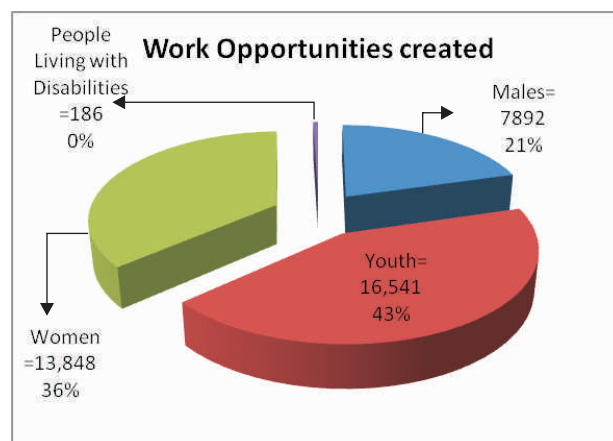
A total of 37 cases were reported during 2009/2010 financial year as compared to 110 cases in 2008/2009. Cases ranging from theft of handbags, photocopying papers, computers and corruption were successfully investigated. All suspects were charged and in some instances, arrests were made.

9.3.3 Programme 3: Expanded Public Works Programme

Job Creation

38,467 Work opportunities were created from 1,384 projects. This equal 6,540 Full Time Equivalent work opportunities created. The 38,467 work opportunities created includes:

- Youth = 16,541 (43%)
- Women = 13,848 (36%)
- People Living with Disabilities = 186 (0.484%)
- Males = 7,892 (21%) of the work opportunities



During 2009/2010 financial year majority of work opportunities created benefitted the vulnerable groups; youth and women.

Contractor Development Programme

Contractor Development Programme is a strategic intervention to address the previous exclusion of Historically Disadvantaged Individuals from participating in the construction economic mainstream. It seeks to address the developmental challenges facing contractors and suppliers' participation in the construction industry.

The objective of Contractor Development Programme is to provide opportunities to emerging contractors in the building and construction industry in order for them to become successful and independent contractors.

With regard to *Works Construction and Maintenance*, 132 emerging contractors participated in the Contractor Development Programme from 2008/2009 during Phase I. These contractors were given maintenance and garden work to the value of R50,000 each at the Traffic Testing Centres in all five districts.

Phase II of contractor development programme started in June 2009. Its focus was on upgrading of buildings e.g. traffic testing centres, client department buildings, libraries and cultural centres. 105 projects were allocated to 134 contractors. 103 of these projects were completed by March 2010. Amount awarded to each contractor varied between R200,000 and R400,000. Contractors with Construction Industry Development Board (CIDB) grading higher than one (1) were also in some cases Appointed to ensure the sustainability. Consequently, these Contractors' CIDB gradings were upgraded in accordance to the table below:

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Contractors per District:

Districts	Number of projects	Number of Projects completed	Comments
Motheo & Xhariep	26	25	25 Projects were completed instead of 26 because the contractor passed on. Project will be completed by end July 2010
Fezile Dabi	20	19	19 Projects were completed instead of 20 because the contractor abandoned site. Contingency plan in place to complete project.
Lejweleputswa	19	19	Projects were completed
Thabo Mofutsanyana	40	40	Projects were completed

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Contractor Development Programme

Road Infrastructure commenced with the Phase II of Contractor Development Programme for Motheo and Xhariep districts. 21 Projects are implemented in Motheo district and 65 in Xhariep district. **The CIDB grading of the 86 contractors who were appointed ranges from grade 0 - 3.** The value of the contracts amounted to R2.4m per contractor and with a monthly payments of R195,000 each.

National Youth Service Programme

Unemployed Youth were identified in the 5 districts to participate in this programme. 107 from Xhariep and Motheo were trained at Motheo FET and were placed on various public sector projects to gain practical experience in Plumbing, Carpentry, Electrical, Plastering and Bricklaying. The learners have completed their training in the 1st quarter of 2009/2010 with the exception of 14 electrical learners who have been placed on the Electrical Apprenticeship training with Centlec Training Centre in Bloemfontein.

Placement of other learners is as follows:

- 40 at National Department of Public Works in Welkom on a 9 months programme focusing on Plumbing, Plastering and Tiling.
- 100 at Department of Human Settlements on 10 housing projects in Botshabelo.
- 11 at Department of Health in the TB Management Unit. 6 were awarded bursaries in clinical studies.
- 26 at Department of Water Affairs on its NYS Working for Water Programme.

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10. OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT

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

- Slow transformation within the property industry due to escalated property prices
- Attaining value for money in lease agreements.
- Escalating Lease and Municipal Service Costs.
- Limited resources to secure government buildings.
- Scarcity and cost of technical skills.

11. OVERVIEW OF THE ORGANISATIONAL ENVIRONMENT

The internal environmental challenges that impact on the overall performance of the department:

- The precautionary suspension of key staff members in Property Management, Supply Chain Management and Works Infrastructure impacted on Departmental organisational arrangements and outputs.
- Shortage of Professional Registered employees in some disciplines (quantity surveyors, electrical and mechanical engineers).
- Increased maintenance backlog in all buildings.
- Budget shortfalls for municipal services, Rates and Taxes payments.

12. STRATEGIC OVERVIEW AND KEY POLICY DEVELOPMENTS

New Departmental Mandate

On 2 February 2009, the Premier determined that the function of road infrastructure and fleet management be transferred to Police, Roads and Transport in terms of section 3A(b) of the Public Service Act, 1994 (as amended).

In May 2009 Rural Development as a function was added to the remaining Department of Public Works to form the Department of Public Works and Rural Development with the purpose to coordinate, monitor and evaluate the implementation of rural development throughout the Province.

Interim Structure

The department has an approved interim structure, which provides for the four budget programmes namely:

- Programme 1: Administration
- Programme 2: Public Works
- Programme 3: Expanded Public Works Programme
- Programme 4: Rural Development

Key Policy Developments

- The Expanded Public Works Programme Phase II was launched in April 2009. The goal of Expanded Public Works Programme Phase II is to create 4.5 million work opportunities for the poor and unemployed people in South Africa to contribute to halving unemployment by 2014.
- The implementation of the Government Immovable Asset Management Act (GIAMA) started with the preparation of draft User Asset Management Plans. Full implementation of GIAMA will start in 2010/2011

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13. DEPARTMENTAL REVENUE, EXPENDITURE, TRANSFER PAYMENTS AND CONDITIONAL GRANTS

13.1. Departmental Revenue

The table below indicates Yearly Revenue Targets and Actual Receipts:

Financial Years	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)

* Revenue targets and receipts reduced from 2008/2009 because Programme 5 which incorporated traffic licensing units was transferred to the Department of Police Roads and Transport

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		% Deviation from target
	Actual	Actual	Actual	Actual	Actual	Target	Actual	
Sales of capital assets (Capital Revenue)	1,054	1,259	1,161	1,114	316	111	195	76%
Interest, dividend and rent on land	372	213	792	102	329	86	152	77%
Sales of goods and services other than capital assets	46,084	44,724	52,602	64,881	16,289	6,874	5,652	(18%)
Financial transactions (Recovery of loans and advances)	4,074	3,900	2,316	8,053	1,154	1,054	1,093	4%
Total Departmental Receipts	213,605	240,194	267,650	294,704	18,088	8,125	7,092	(13%)

13.2. Departmental Expenditure

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

Budget Programmes	Voted for 2009/2010	Roll-overs and adjustments	Virement	Total Voted	Actual Expenditure	Variance
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	
Programme 1	91,596	(29,970)	861	62,487	62,487	0
Programme 2	543,511	159,687	(861)	702,337	696,456	5,851
Programme 3	45,869	(25,101)	0	20,768	15,340	5,428
Programme 4	28,100	9,723	0	18,377	13,950	4,427
Total	709,076	94,893	0	803,969	793,130	10,839

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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 initiative will prevent reoccurrence of under spending on rates and taxes and assist municipalities with their cash flow position.

13.3. Transfer Payments

Name of Institution	Budget	Expenditure	Variance
Provinces and municipalities	185,895,000	185,895,000	0
Households	2,993,000	2,813,000	180,000

Transfer to municipalities is for payment of rates and taxes for government owned properties to local authorities. This forms an indispensable part of the municipal income.

13.4. Conditional Grants

Grant allocation	Voted for 2009/2010	Roll - overs and adjustments	Total Voted	Actual Expenditure	Variance
Devolution of Property rate fund	140,144,000	44,960,000	185,104,000	185,095,000	9,000
Infrastructure Enhancement allocation	22,118,000	(13,000)	9,118,000	8,791,000	327,000

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14. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT

14.1 Capital Investment

The following information is provided with regard to the department's capital investment programme:

Building projects currently being upgraded:

- Testing Station Bethlehem
- Testing Station Harrismith
- Legislature Upgrading

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

R16,224m was spend on normal building maintenance of property assets during 2009/2010.

The department did condition assessments in 2008, where it was determined that R63m was needed to prevent further deterioration.

The Department would need an additional once off R1.9billion to complete portfolio maintenance backlog. Due to the budget constraints, the department propose to address the maintenance backlog over a 10 year period. That would amount to an annual budget of R190m for planned maintenance.

The Department requires of landlords to maintain the leased office accommodation at a level termed as Grade A or at least Grade B as classified in the Rhode Report property guidelines.

There are barely sufficient funds to do day-to-day maintenance and almost no funds in the revitalisation / rehabilitation budget. Increases in municipal services and rental payments were much higher than the Departmental budget increases.

As payment for these services cannot be stopped, funds can only be taken from discretionary budgets such as provision for maintenance. Allocation along space norms in the year 2010/2011 will assist in confirming minimum required needs.

It is expected that the evaluation of User Asset Management Plans would provide guidance on future accommodation needs and possible savings to make funds available for maintenance.

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

The Provincial fixed asset register was updated by comparing it with the National Health and Education management systems. The built component from the Council for Scientific and Industrial Research in Pretoria assisted to update the Departmental Asset Management Database named PREMIS. In terms of the classification, assets are clustered as:

- Facilities – the overarching description of a place e.g. a hospital, a nature reserve, a school, clinic, office building, a house or vacant land.
- Land unit – every facility should be attached to a single or more land units.
- Buildings / improvements - improvements at a facility can be zero, one or many buildings sitting on one or several land units.

For instance, a hospital can be built on 3 land units but have 70 or more individual buildings.

During the 2008/2009 financial year, the individual land units were captured on the register and most of the individual facilities linked to one or more land units. However, there are still unlinked land units that will only be linked in the new financial year. The department will continue to verify and capture the buildings on land units in the 2010/2011 financial year.

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The current state of the Department's capital buildings

Valuations were to determine the value on buildings to be rented out. It is deduced that the condition of the total portfolio is distributed in the following condition categories:

Good	5%
Fair	40%
Bad	55%

14.2 Asset Management

Details as to how asset holdings have changed in 2009/2010

Two new immovable properties were procured whilst 30 redundant properties in Kenzie Town in QwaQwa were disposed. Other disposals of un-economic properties will follow in the 2010/2011 financial year.

In comparing the current asset portfolio to that of the previous year, it must be noted that the large number of Farm Schools were removed from the asset register. Farm Schools were constructed on land of the farm owner and in most cases by the farmers themselves. The Department of Education is systematically phasing out farm schools in favour of taking children to hostels and larger schools.

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

Departments	Condition of State Owned Buildings (Number and Percentage)										Total
	Very Good		Good		Fair		Poor		Very poor		
Education	128	5%	384	15%	796	30%	639	25%	639	25%	2,557
Health	17	5%	51	15%	102	30%	85	25%	85	25%	339
Others	52	5%	156	15%	311	30%	260	25%	260	25%	1,038
Unutilised (Rural and vacant)	0	0%	0	0%	7,567	80%	946	10%	946	10%	9,459
Total	197		590		8,747		1,929		1,929		13,393

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Works Construction and Maintenance projects that will commence in 2010/2011

- New Free State Office Building Mangaung
- New Social Development Office Building Kroonstad

14.3 Maintenance of Movable Asset Register

The following information includes an overview of the significant movable assets under the control of the Department:

- The LOGIS asset register remained up-to-date by adding and reconciling all Basic Accounting System (BAS) procurements to it. Stocktaking was done to confirm existence and identify losses.
- Supply Chain Policy and delegations are in place.
- Segregation of duties for payment commitment and payment authorisation.
- Processes are in place to monitor expenditure versus the available budget.

PART B

PROGRAMME PERFORMANCE: SUMMARY OF PROGRAMMES AND SERVICE DELIVERY ACHIEVEMENTS

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15. PART B: PROGRAMME PERFORMANCE - SUMMARY OF PROGRAMME AND SERVICE DELIVERY ACHIEVEMENTS

Part B presents a summary of each programmes' performance for the 2009/2010 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.

15.1 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
 - o Sub-sub-programme Finance
 - o Sub-sub-programme Research, Monitoring and Evaluation
 - o Sub-sub-programme Internal Audit
 - o Sub-sub-programme Legal Contract and Administration and
 - o Security Administration

Strategic Goal and Strategic Objectives:

Strategic Goal 1: A capable and skilled workforce that is supported and strengthened towards service excellence

Strategic Objectives:

- 1.1. Create and sustain a working environment conducive to improved service delivery
- 1.2. Strengthen leadership and development of personnel
- 1.3. Create a culture of excellence
- 1.4. Ensure compliance to principles of good governance
- 1.5. Provide a safe and secure environment

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Strategic Objective No. 1.1: Create and sustain a working environment conducive to improved service delivery

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Communication				
Improve image of the Department	Number of Departmental buildings with improved signage	4	1	The 2010 contact centre behind the Presidency's signage was updated. Signage at other buildings is now to be improved.
	Number of employees in possession of name tags	757	1,200	Existing employees with name tags include security officers and cleaning personnel
Coordinate and monitor the implementation of an intergrated communication strategy	Number of staff indaba conducted at all five districts and head office	5	3	Three staff indabas were held in three districts at Motheo, Thabo Mofutsanyana and Fezile Dabi.
Information Communication Technology (ICT)				
Improved service delivery to Departmental Officials	ICT response time: Number of ICT calls resolved within 24 hours - 1,200 calls per annum. Head office (Lebohang, Medfontein & Free State Provincial Government Building)	650	1,098	The Department's Information Technology supported the Department of Police, Roads and Transport functions which increased the actual outputs for Public Works and Rural Development.
	Number of ICT calls resolved in 48 hours - 380 calls per annum, Bloemfontein	285	342	
	Number of ICT call resolved in 96 hours - 280 calls per annum, Outside Bloemfontein	210	257	

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Strategic Objective No. 1.1: Create and sustain a working environment conducive to improved service delivery

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Improved ICT network and systems reliability	Availability: 2,016 hrs per annum – Normal working hours (07h30 – 16h00)	1,612	1,915	The systems availability target was set at 80% availability. With implementation of control measures and improvements Information Technology was able to exceed the target at 95%.
	6,744 hrs per annum – Non-working hours (00h00 – 07h30 and 16h00 – 24h00)	4,046	6,339	The systems availability target was set at 80% availability. With implementation of control measures and improvements Information Technology was able to exceed the target at 95%.
	Connectivity: Number of employees connected to the ICT network (access to e-mail & internet)	660	714	More officials applied for connectivity than expected
	Number of offices connected to the ICT network (access to e-mail & internet)	55	9	9 of the 10 departmental offices are linked. The initial 55 included roads and trading entities which have since been transferred out.
Organisational Development				
Create and sustain a supportive and safe environment	Number of employees informed on moral regeneration programme	920	552	<p>The programme has mainly focused on one-on-one sessions on employee wellness. WP1002 forms which are nomination of beneficiaries were completed by staff mainly in Qwaqwa. Advantage is in case of death beneficiaries for pension benefits are nominated.</p> <p>Information sessions on Government Employee Medical Scheme were held for staff especially that Government Employee Medical Scheme has the Saffire program that has a good HIV/AIDS program. Staff on levels 1 – 5 who did not belong to Government Employee Medical Scheme were targeted and documentation forwarded. Staff consulted and dealt with individually. Awareness campaigns on health related issues and condom use held as well as candle light memorial service.</p> <p>The Department hosted national employee health and wellness sports tournament in November 2009. 1,500 Participants from all over country participated in soccer (male and female), netball, and volley ball. Screening tests for cholesterol, blood pressure and others were conducted by a Team from Old Mutual.</p>

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Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved output
Create and sustain a supportive and safe environment	Number of individual component health risk profiles conducted regarding compliance with the Health and Safety Environment Quality	10	10	<p>The most common diseases for staff utilising short incapacity leave and long incapacity leave according to the Health Risk Managers' records during the sick leave cycle are as follows:</p> <p><u>Short Incapacity Leave (01 – 29 days):</u></p> <ul style="list-style-type: none"> • Acute bronchitis 82 • Surgery 59 • Psychiatric mainly minor and major depression 57 • Orthopedic 51 <p><u>Long Incapacity Leave (30 days and above):</u></p> <ul style="list-style-type: none"> • Tuberculosis 38 • Stroke 22 • Surgery 17 • Cancer 14 • Psychiatric 11 <p>The findings of SOMA attribute the above mentioned to the workforce profile of the Department.</p>

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Service Delivery Achievements: Sub Sub Programme: Corporate Services

Strategic Objective No. 1.2: Strengthen leadership and the development of personnel

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Human Resources Management				
Create a diverse culture representative of the population of the Free State and in line with national legislation	Number of employees in the establishment in terms of disability	23	17	The transfer of support staff to Police Roads and Transport resulted in the decrease.
	Number of employees in the establishment in terms of gender representativity on levels 9-12	61	68	13 appointments were made for employees at levels 9-12.as follows: Level 9 = 3 Level 11 = 3 Level 12 = 7
	Number of employees in the establishment in terms of youth	350	355	The Department has more youth in service despite the transfer of the support staff to the Department of Police, Roads and Transport. This is inclusive of the 23 interns.
Ensure that sufficient human capital exists to execute the department's mandate	Number of people with core skills appointed to reduce the vacancy rate in scarce occupations	20	23	Only critical funded vacancies were filled including the Chief Financial Officer, Director Security Administration, and other technical appointments.

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Strategic Objective No. 1.3: Create a culture of excellence

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Create and sustain a performance culture within the Department	Number of Organisational Effectiveness Surveys Conducted	2	2	<p>Culture Study was conducted in conjunction of the Department of the Premiers as a pilot. The study focused primarily on staff satisfaction. The lessons learned to be incorporated into a Provincial Culture Study for 2010/11.</p> <p>As part of realignment project, change readiness was assessed.</p> <p>This is an Integrated Development Infrastructure Plan project done in conjunction with the National Department of Public Works and the University of the Free State with a view to retain staff in scarce skills. The Occupation Specific Dispensation circumvented the initiative.</p>
	Organisational Effectiveness Percentage Score based on Outcome of the surveys	50%	80%	Project management system implemented to fast track implementation of construction and maintenance Projects.

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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									
In - appropriate skills development Programmes	3	4	12	PDMS' Personal Development Plans Identification: Skills requirements from Managers	2	3	6	Clear defined skills programs in place	Areas of skill enhancement clearly identified through the competency profile.
								Training of security staff as facilitators, assessors and moderators	Staff to undergo training have been identified and budget set aside in 2010/2011.
								Development of Competency Acquisition Program for Property Portfolio.	Competencies for Property Portfolio staff identified. GIAMA training attended.
Lack of capacity	3	4	12	Retention plan. Bursaries and Training	3	3	9	Professional and technical staff to register with professional bodies.	5 staff members registered
Departmental structure does not cater for rural Development budget	4	4	16	Approved structure only caters for Programmes 1, 2 and 3	2	2	4	New structure to meet departmental mandate	Executive Council approved a Rural Development component, as part of the re-alignment project.
Organisational Development									
Working environment not fully conducive for optimal work Performance	4	4	16	Culture studies conducted in Department	2	4	8	Implement recommendations on culture studies conducted	Survey conducted in conjunction with the Department of the Premier.
Impact of HIV/Aids and other conditions on human capital	5	3	15	HIV/Aids awareness Programmes	3	3	9	Health Risk Manager in place	Health Risk Manager appointed. Service Level Agreement concluded with the Health risk Manager SOMA Interactive.

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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
Information Communication Technology									
Current Information Technology infrastructure not aligned to Departmental Business processes	4	4	16	Upgrades and monitoring	3	4	12	Top slice budget for progressive Information Technology infrastructure	New information Technology System approved
								Monitoring of Shared service with Police, Roads and Transport	New email address in place specific for the Department of Public Works and Rural Development
Communication									
Inaccurate and unauthorized communication (response to media enquiries)	3	5	15	Communication Policyin place	1	5	5	Intensify media monitoring	Communication function is centrally coordinated and Media issues tackled holistically

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Service Delivery Achievements: Sub Sub Programme: Finance

Strategic Objective No. 1.4: Ensure compliance to principles of good governance

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Financial Management				
Ensure effective and accurate accounting services within the Department	Compliance to 114 PFMA normative measures through the Finance Monitoring Report results	100%	87%	<p>The standard for the 09-10 financial year set by Treasury is 87% and internal controls in terms of Financial and BAS Delegations have been enhanced to ensure adherence.</p> <p>Timely clearance of accounts and correction of Standard Charts of Accounts -items ensured effective and accurate accounting services within the Department since it enabled the department To activate monthly-closure.</p> <p>This also avoids forced-closure by Provincial Treasury. Misrepresentation of expenditure is also avoided by correction of Standard Charts of Accounts items.</p>
Supply Chain Management				
Ensure effective and transparent Supply Chain Management	Percentage payments processed to supplier/contractors within 30 days	100%	73%	The Department procured from 2613 suppliers of which 1,910 suppliers were paid within 30 days Cashflow restrictions hindered full compliance.
	Number term-contracts in place for frequently procured items	8	6	Term contracts are in place mainly for protective clothing, cleaning chemicals and stationery, maintenance work which include general building, electrical and mechanical work.
Budgeting, Revenue and Expenditure Control				
Strengthen revenue collection	Increased revenue collection	R8.125m	R7.087m	Source of revenue is mainly from rentals, parking, dwellings, sale of capital assets (redundant properties), interest received on debt, commission on insurance and garnishee orders.

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Progress on Risk Management: 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
Fraud in Finance processes	4	5	20	Treasury reporting model Improved supervisory control	3	4	12	Internal audit checks	Enhancing internal control checks i.e checking of all payment documentation by Financial Control Section; Spot-checks by supervisor.
Errors in reports due to miscommunication between different systems	3	5	15	Control checks and reconciliations with BAS, Persal, Logis and Vulindlela	2	4	8	Monthly reporting on reconciliations	Weekly retrieval of reports to check status of accounts.
Inaccurate salary expenditure	4	3	12	Monthly reconciliations pay roll controls Segregation of duties	2	3	6	Monthly control checks by supervisors	
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.	2	4	8	Proactive identification of outstanding orders	Daily monitoring of age analysis Telephonic follow-ups of outstanding invoices.
Fraud in SCM Processes	4	5	20	Use of Database and Bid committees Segregation of duties	2	3	6	Internal audit checks Ensuring compliance	Segregation of duties from bid opening until the appointment stage.Vetting documentation of Supply Chain Management officials submitted.
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.	Chief user clerks and programme managers were trained by financial managers on a one on one contact.

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Service Delivery Achievements: Sub Sub Programme: Research, Monitoring and Evaluation
Strategic Objective No. 1.1: Create and sustain a working environment conducive to improved service delivery

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved Targets & Reasons for under/over performance
Strategic Planning, Monitoring and Evaluation				
Conduct on-site monitoring of projects and services	Number of visits for the validation of performance information	24	26	<ul style="list-style-type: none"> • Works Construction and Maintenance infrastructure projects which include schools, hospitals, libraries and others were visited in order to verify progress versus the information on progress reports. • Identified shortcomings in relation to reports and Project sites were discussed with the Works Inspectors in each district and as result; the quality of information received has improved.
Communicate Annual Performance Plan to frontline officials	Number of frontline staff informed	100	116	<ul style="list-style-type: none"> • Frontline officials from Administrative Clerks to Deputy Managers at Property • Property Portfolio, Internal Audit, Supply Chain Management and the Communication units were informed on Departmental strategy aimed at further improving implementation of strategic objectives • All senior and Middle Managers were informed of the process that will be followed by the Auditor General in analysing the performing information as the 2009/2010 performance information will be audited for the first time
Promote the values of Batho Pele Change Management Engagement Programme to frontline staff	Number of offices informed about Batho Pele Change Management Engagement Programme	10	10	<ul style="list-style-type: none"> • Information sessions were held with the Security Officers and Cleaners to discuss mechanism on how to improve service delivery to citizens in line with Batho Pele principles. • Formal training on Batho Pele Change Management Engagement Programme was given to Security and Cleaners. • Consequently, the level of service delivery and customer relations have improved.
Research and Development				
Evaluate impact of strategy implementation on service delivery	Number of completed research reports	1	1	<ul style="list-style-type: none"> • Completed a survey on gender responsiveness within the department. • Assisted the Department of the Premier with research on Knowledge Management
Investigate alternative service delivery best practices to further improve services	Number of best practices introduced	1	1	<ul style="list-style-type: none"> • Implementation of Infrastructure Delivery Improvement Program (IDIP) practices.

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Progress on Risk Management: Sub-Sub Programme: Strategic Planning, 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									
Not all Annual Performance Plans' targets are achieved as they are not costed	4	4	16	Joint strategic and budget planning	3	4	12	<p>Involvement of Internal Auditor and Budgeting units with performance input analysis.</p> <p>Development of the Operational Plans with the development of the Annual Performance Plan</p>	<p>The Internal Audit directorate is as a rule actively present at all 2010 Strategic Planning Sessions and Quarterly Review sessions.</p> <p>Targets were verified and Programme Managers were advised to plan only for costed items. Items not costed were excluded from the 2010/11 Annual Performance Plan.</p> <p>Operational Plan formats were distributed for implementation on 01 April 2010.</p>
Non adherence to inputs target date or/ Time frames by directorates	4	5	20	Strategic calendar distributed to directorates	3	5	15	<p>Contact sessions with specific directorates to discuss input a day before input due date</p>	<p>The Strategic Planning Calendar for 2009/10 was distributed on 31 July 2009 to secretaries of all directorates. Electronic and telephone reminders with 10 responsible directorates</p> <p>Contact sessions were made with specific Programmes and Sub-Programmes with regard to input due date:</p> <ul style="list-style-type: none"> • Finance, • Property Management, • Works and Expanded Public Works Programme

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Progress on Risk Management: Sub-Sub Programme: Research and Development

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
Research and Development									
Non cooperation by other units on research matters	4	5	20	Scan the activities of other units which have policy impact and subsequent engagement of the units.	3	5	15	Engagements with the units on policy / impact imperatives	Engagement done with relevant units with whom studies have to be conducted. This will be an ongoing exercise
Erroneous data analysis due to lack of software for data analysis	5	5	25	Conventional method used currently.	4	5	20	SPSS (Statistical Programme for Social Sciences) acquisition underway.	Budget reprioritisation

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Service Delivery Achievements: Sub Programme: Internal Audit

Strategic Objective No.1. 4: To assess and recommend compliance to principles of good governance

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Audit governance, controls and risk management systems within the Department in accordance with Audit Plan	Strategic and Operational Risk Assessments plans facilitated	2	2	2009/2010 Risk assessment plan facilitated. Strategic Risk Assessment Plan is incorporated in the Annual Performance plan
	Number of audit performed at identified high risk areas	8	10	Internal Audit conducted audits and reports were issued and discussed in: <ul style="list-style-type: none"> Finance, Works Infrastructure, Property Portfolio, Research and Development, Legal Services, Security Administration, Human Resources Management, Supply Chain Management and Financial Statements Grants: Transfer of Municipalities to Fezile Dabi District. <p>High risks areas are informed by:</p> <ul style="list-style-type: none"> Departmental Risk Assessments Auditor General Qualifications Management request Audits of previous Reports
	Number of follow up audits performed	4	4	The follow-up report of: <ul style="list-style-type: none"> Operational Property and Housekeeping was issued and discussed. Strategic planning follow up completed Follow-ups on a final stage: Supply Chain Management Finance
Monitor implementation of corrective measures to Address Shortcomings identified in the audit management letter	Number of high risk findings addressed	3	3	<ul style="list-style-type: none"> High risks are addressed when performing audits in each business unit and reports are submitted to Provincial Treasury bi-monthly

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Progress on Risk Management: 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
Not all recommendations on compliance Audits Implemented By some units	5	5	25	Follow-up audits Risk management training for line function	4	4	16	Tabling of non - compliance to the audit Committee	Findings of Internal audit are tabled together with management comment with every Departmental SMS meeting.
								An agenda item in Quarterly reviews	Risk assessment is incorporated in the Annual Performance Plan (APP) of the department a risk management bilateral was held to discuss the risk assessment with regards to the 2nd drafts for the 5 year strategic plan and 3 year Annual Performance Plan.
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	4	4	16	Awareness sessions on audit process	Awareness sessions are held during the first meeting prior the Audit in each business Unit.

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Service Delivery Achievements: Sub Programme: Legal Services

Strategic Objective No. 1.1: Create and sustain a working environment conducive to improved service delivery

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Promote the functioning of the Department within a sound legal framework	Percentage of requests for legal opinions responded to within 7 days	100%	100%	44 requests for legal opinions with regard to contracts from Property Management, Supply Chain Management and Expanded Public Works Programme.
	Cases referred to state attorney	30	21	21 cases were referred to state attorney in relation to disputed contracts. Most of the cases are still pending.
	Legal contracts monitored and facilitated	50	46	46 legal contracts monitored and facilitated from Property Management, Supply Chain Management and Expanded Public Works Programme, Ngwathe and Naledi Local Municipalities.

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Progress on Risk Management: 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	Contracts are scrutinised by legal services before they could be signed by the HOD and implemented. The purpose is to determine whether the contract meets the Standard Contract and legal/ policy frameworks.
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 Report to Departmental Executive meeting	Payment made to State Attorney for defending claims against the department. Claims are now monitored and negotiations done with claimants where necessary.

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Service Delivery Achievements: Sub Programme: Security Administration

Strategic Objective No. 1.5: Provide safe and secure environment

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Ensure compliance to safety and security standards	Number of security appraisals reviewed and conducted	30	74	<ul style="list-style-type: none"> Physical security appraisals were conducted at all security points in all districts including Occupational Health and Safety standards related matters. The over performance was as a result of the Occupational Health and Safety standards, inspections and emergency security audits that were conducted in the province. Emergency Evacuation Drills were conducted in Lebohang and Provincial Government Buildings Safety Committees have been established.
	Number of threat risk assessments reviewed and conducted	60	61	<ul style="list-style-type: none"> Inspections and security assessment/evaluation were conducted at all five districts with specific emphasis on strategic sites

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Progress on Risk Management: Sub Programme: Security Administration

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
Vetting of all Senior Managers	5	3	15	All Senior Managers have been provided with vetting application forms	5	4	20	Vetting application forms are being collected and sent to NIA. Declaration of Secrecy forms completed	284 Vetting application forms have been issued in different directorates within the department.
Security screening of all officials in the department	5	3	15	All new staff is subjected to security screening before being appointed permanently.	5	2	10	Security awareness campaigns conducted at various districts in the province	Five (5) security awareness campaigns were held, Trompsburg Security office, Phuthaditjhaba, Bloemfontein, Trompsburg joint meeting with other stake holders, Thaba Nchu College and Lebohang announced Evacuation Drill.
Non-compliance with Private Security Industry Regulatory Authority (PSIRA) requirements	5	4	20	Registration with Private Security Industry Regulatory Authority. (PSIRA)	5	4	20	Maintain registration	<ul style="list-style-type: none"> The Department is registered with PSIRA as an in-house service provider. PSIRA has registered 171 out of 478 security officers.
								Enhance security skills through competency acquisition programme	In-House Training has been conducted in various districts doing Occupational Health and Safety standards training and has trained 148 security officers

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13.2 PROGRAMME 2: PUBLIC WORKS

Purpose

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.

Programme Description

The Programme consists of the following Sub-Programmes:

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

Strategic Goal and Strategic Objectives:

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

Strategic Objectives:

- 2.1 Create an enabling environment that facilitates and promotes sustainable infrastructure investment in the Free State
- 2.2 Provide leadership to the property industry towards promoting sustainable economic growth, transformation and development.
- 2.3 Manage Provincial Government owned and leased Immovable Assets effectively.

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Service Delivery Achievements: Sub Programme: Works Design, Construction and Maintenance

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

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs		
Complete projects within the stipulated contract time.	Percentage Projects completed	95% of 61 projects	24	24 capital Projects that were due in 2009/2010 were completed as indicated below:		
				Department of Health: 6	Completed: <ul style="list-style-type: none">Jagersfontein Diamante HospitalKroonstad Boitumelo Hospital Contract 4 (Maternity)Kroonstad Boitumelo Hospital Contract 9 (Psychiatric)Bloemfontein Medical DepotBloemfontein Pelonomi (Pharmacy)Bloemfontein Pelonomi (Trauma)	Final stage: <ul style="list-style-type: none">Harrismith Thebe HospitalQwaqwa- Elizabeth Ross HospitalHeilbron-Tokollo HospitalBloemfontein: MortuaryKroonstad Boitumelo Hospital Contract 13
				Department of Education : 13	<ul style="list-style-type: none">Frankfort- Falesizwe Secondary School hallVilliers- Retshidisitswe Secondary school hallVrede- Evunguni Secondary school hallBloemfontein- Matla schoolParys- Schonkeville Primary SchoolFicksburg- Mehopung Primary School (26 class rooms, new school)Smithfield- Smithfield Primary School additional serviceMaquard- Mohlodi-Thuto Intermediate School (30 classes new school)Wesselsbron- Iphateleng SchoolAllanridge- SA Mokgothu Primary School.Builtfontein- Ntuthuzelo Phase 2Ladybrand Hermana Primary SchoolWelkom: Lemotso Primary School	
				Department of Economic Development, Tourism& Environmental Affairs: 3	<ul style="list-style-type: none">Bloemfontein- Phillip Sanders Resort Contract 3A and Phase IIBloemfontein- Phillip Sanders Resort Phase II -Contract 2BHoopstad- Sandveld nature reserve-	
				Public Works & Rural Development : 2	<ul style="list-style-type: none">Bloemfontein- Free State Legislature-Air conditioning.Bloemfontein: Free State Legislature: Electronic Sound system.	

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Develop and champion programmes and strategies towards improved construction	Number of EPWP : job opportunities created	5000	5540	
	Number of emerging contractors participating in Contractor Development Programme	132	134	134 Contractors participating Phase 2 of Contractor Development Programme.
	Number of youth intake to acquire artisans skills	393	14	14 learners were placed at Centlec. Due to budgetary constraints, no further intake was possible.
	Number of BBBEE participating in works projects	100	7	There were not enough bids to allocate to Historically Disadvantaged Individuals as determined by the market.
	Number of technical staff in training / professionally registered	10	11	Experience is gained in-house.

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Progress on Risk Management: 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
Non completion of the projects	4	4	16	Project management (use condition of contracts)	3	4	12	Training contractors on financial and project management	A new project management tool developed. An Infrastructure forum established lead by Heads of Department.
Non or late payment of contractors by client departments	5	5	25	Adherence to SLA	4	5	20	Provincial Treasury involvement	Monthly infrastructure Bilaterals in place and lead by Provincial Treasury
Transformation of the construction industry	4	4	16	Use of relevant legislative frameworks	4	4	16	National Youth Service in terms of skills development of artisans	14 learners are placed at Centlec for an apprenticeship
								Construction Industry Development Board, Contractor Development,	134 Contractors participating in Contractor Development Programme.
								Memorandum of Understanding with Financial Institutions	Service Delivery Agreement and circulated to client Heads of Department.

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Progress on Works Design, Construction and Maintenance Projects

Project Description	Budget	Expenditure	% Progress on site
Upgrade Harrismith Testing Centre 03/02/2009 - 26/01/2011 Contract Value: R43m The finalized facility will consist of a full testing center, (demolish work, new office building ,vehicle and license testing facility)	R13m	R12,619, 062	17% Progress on site Office building deck is completed and brickwork in progress.
Upgrading of the Legislature Minor Renovations Phase 1 (Public Address system and Air Conditioner) 18/08/2009 - 18/11/2009 Contract Value: R1.28m Renovation to legislature assembly hall and upgrade of ablution facilities.	Total Allocation to the 3 phases of the project is R9.118m	R4,802,838 certified for payment on all phases of the project	100% Progress in relation to Public Address system and Air Conditioner Practical completion was 11 Feb 2010 and works completion on 25 Feb 2010.
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)	R13m	R1 ,267,798	4.5% Progress. The initial contract was terminated due to non-performance. Appointment of a new contractor was delayed due to litigation.
Construction of New Office Building Phase 2 and Infrastructure enhancement 01/04/2009 - 31/03/2010 New office block to accommodate Department of Public Works and Rural Development and Corporative Governance and Traditional Affairs	R4.287m	R12,369,862	In Planning Consultant team is in process to complete documentation.
Social Development: Upgrade Office building Cross Street Kroonstad. 01/04 2009 - 31/03/2012 Refurbishment of existing office building	R2m	R2,322,586	Planning 100% Tender documents completed to advertise for construction.

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SERVICE DELIVERY ACHIEVEMENTS
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Service Delivery Achievements: Sub Programme: Property Management

Strategic Objective No 2.2: Provide leadership to the property industry towards promoting sustainable economic growth, transformation and development

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Property Portfolio				
Transform the property industry	Number of entrepreneurs created through Introduction of the Property Incubator Programme	5	3	The PIP was advertised but delayed due to financial constraints. However, the department was able to affirm three HDIs into property industry.
Operational Property and Housekeeping				
Transform the property industry	50% Lease expenditure to HDIs of Total Lease	R 25.1m	R 22.982m	R 22.9m (19%) of the total R121m rental payments were made to Historically Disadvantaged Individuals.

Strategic Objective No 2.3: Manage Provincial Government owned and leased Immovable Assets effectively

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Property Portfolio				
Implement Competitive Asset Management Strategy	Asset Register enhanced	Condition assessments	The whole FS Register is revised	The consolidation of the asset registers has been concluded. Condition assessments of 2008 are still used as the reference.
	Compliance to Occupational Health and Safety requirements: (Acquisition of equipment, signage and training of people)	Motheo Xhariep	Signs at new construction (Boitumelo and 2010 centre)	The 2010 contact centre behind the Presidency was put in place. Signage at other buildings is now to be improved.
	Disposal of redundant properties	20	30	Disposal process of 30 Kenzie town houses was finalised.
	Implementation of the National Infrastructure Maintenance Strategy	A costed building maintenance plan developed	1	An infrastructure plan was submitted. The maintenance plan is part of the Custodian Asset Management Plan which will follow after the User - Asset Management Plan in 2010
Utilise office space maximally	Office space allocated in line with norms and standards	Motheo Xhariep and Lejweleputswa	0	Norms of GIAMA will be used in the User Asset Management Plans. The process is deferred to 2010/11.
Roll -out of the Government Immovable Asset Management Act	Number of User Asset Management Plans developed	11	3	Departments of Education, Public Works & Rural Development and Health have developed draft User Asset Management Plans. Final plans are only due in 2010.
	Custodian Asset Management Plan developed	1	0	Inputs of User Asset Management Plans are due in 2010/2011

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Service Delivery Achievements: Sub Programme: Property Management

Strategic Objective No 2.3: Manage Provincial Government owned and leased Immovable Assets effectively

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Operational Property and Housekeeping				
Implement Competitive Asset Management Strategy	Number of buildings serviced on full time basis (Improved cleanliness in government properties)	132	134	Adequate supervision.
	Number of buildings serviced on full time basis (Improved maintenance of gardens on government properties):	50	76	Augmented existing capacity by appointing a service provider.
	Number of buildings serviced on a part time basis	55	55	Personnel were rotated to different areas throughout the province

Progress on Risk Management: 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									
Not achieving HDI targets	4	5	20	Negotiations with established owners to form joint venture with HDI's	4	4	16	Facilitate HDI deals (sale or joint ventures) with established owners	Contracts with Sambal Investment (100% black) for Syfrets Building were Concluded. Additional space of R5.920m was concluded with the owners of L.M Building, which is 51% black owned.
Increase in maintenance backlog	5	5	25	Condition assessments partially done	4	5	20	Condition assessments	There are insufficient funds for Condition assessments funds were redirected to other priorities
Operational Property & Housekeeping									
Buildings in relation to housekeeping not compliant with Safety Health Environment standards.	4	4	16	Supervision. Regular inspections.	3	3	9	Improved maintenance of gardens on government properties	A service provider maintains the residences.
Under collection of revenue.	4	5	20	Monthly invoicing. Continuous engagements. Inspections relating to occupancy.	4	5	20	Service Level Agreements with clients. Revise and enter into rental Contracts	A total amount of R4.479m was collected for the year. Access control at gates being intensified.
Fruitless expenditure. (Interest charged on late payments leading to service cuts.)	5	4	20	Reminding service providers to invoice timeously	4	4	16	Negotiate for Adequate Budget Timely payments	Timeous payment led to no service cuts

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Public Works Sector Specific Performance Indicators – Non-Financial Data MTEF 2009/2010

Performance Indicators: Property Portfolio - State Owned Portfolio	2009/2010 Performance Targets	Actual Outputs
Department of Education		
Number of properties (land) owned	1,414	2,557
Number of vacant urban properties (land) owned	80	0
Number of unutilised rural properties (land) owned	3	0
Number of hectares of land owned		
Number of properties with buildings owned	1,497	2,557
Number of square metres of buildings owned	0	3, 402,013 *
Department of Health		
Number of properties (land) owned	265	339
Number of vacant urban properties (land) owned	4	0
Number of unutilised rural properties (land) owned	0	0
Number of hectares of land owned		0
Number of properties with buildings owned	269	339
Other Client Departments		
Number of square metres of buildings owned	0	418,672 *
Number of properties (land) owned	4,533	9,846
Number of vacant urban properties (land) owned	43	0
Number of unutilised rural properties (land) owned	43	0
Number of hectares of land owned		0
Number of properties with buildings owned	4,619	0
Number of square metres of buildings owned	0	0
Other		
Number of properties (land) leased	0	10 For Radio Relay Stations
Number of hectares of land leased	0	N/A
Number of buildings leased	0	127
Number of square metres of buildings leased	0	133,996

* The number was not validated but is based on calculated values from available information. Due to updates, the number of rural land is not known and hectares are not captured yet.

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Public Works Sector Specific Performance Indicators – Non-Financial Data MTEF 2009/2010

Performance Indicators: Leased Portfolio	Performance Targets 2009/2010	Achieved
Department of Education		
Number of properties (land) leased	22	24
Number of hectares of land leased	0	0
Number of buildings leased	22	24
Number of square meters of buildings leased	47,609	41,471
Department of Health		
Number of properties (land) leased	18	16
Number of hectares of land leased	0	0
Number of buildings leased	0	16
Number of square metres of buildings leased	0	23,072
Other	18	
Number of properties (land) leased	2,223m ²	10 Relay Stations
Number of hectares of land leased	0	N/A
Number of buildings leased	0	86
Number of square metres of buildings leased	0	69,453

Progress on Property Management Projects

Project Description	Budget	Expenditure	Progress
Condition Assessment in all districts	R 0.5m	R 0.5m was used on improving the asset register	The improvement of the asset register was prioritised. Further, valuations and condition assessments of owned properties were done to determine market related rental amounts.
Installation of prepaid electricity metres in leased out houses	R 2.7m	This amount was reprioritised to Hlasela projects	Arrears in municipal accounts need to be cleared before prepaid meters can be installed.
Installation of irrigation system in other government office buildings	R 1.5m	R 47,447	Designs were completed and a service provider appointed.

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SERVICE DELIVERY ACHIEVEMENTS
for the year ended 31 March 2010

13.3 PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Purpose

The Expanded Public Works Programme (EPWP) is one of South African Government's short-to-medium term programmes aimed at the provision of additional work opportunities, coupled with training. It is a national programme covering all spheres of government and state-owned enterprises. The EPWP involves interventions in four sectors, namely: Infrastructure, Economic; Social, Environmental and Cultural sectors.

The Programme consists of the following Sub-Programmes:

- Programme Support
- Community Development
- Innovation and Empowerment
- Expanded Public Works Programme Coordination and Monitoring

Strategic Goal and Strategic Objectives:

Strategic Goal 3: Massification of Expanded Public Works Programme

Strategic Objectives:

- 3.1 Mobilize all stakeholders towards the successful implementation of the EPWP
- 3.2 Co-ordinate and monitor the implementation of the EPWP within the Free State Province
- 3.3 Monitor and evaluate the impact of EPWP in the Province

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Service Delivery Achievements: Sub Programme: Expanded Public Works Programme

Strategic Objective No 3.1: Mobilise all stakeholders towards the successful implementation of the EPWP

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Monitor compliance with EPWP principles by all provincial departments and municipalities within the Province	Number of EPWP job opportunities created:	18,115	38,467	The targets are set by the National Department of Public Works based on the determined criteria which does not include the provincial plans and provincial appropriations.
	- Full time equivalent	8,349	6,540	Free State province implemented a lot of initiatives which contributed to job creation. These include operation Hlasela projects.
	- 40% Women employed	7,246 (3,340)	13,848	
	- 30% Youth employed	5,435 (2,505)	16,541	
	- 2% People with disabilities employed	362 (167)	186	Departments also implemented projects which created job opportunities. The introduction of the incentive scheme motivated municipalities to report on both the Municipal Infrastructure Grant allocations and their own municipal budgets.
	Number of municipalities implementing EPWP projects (geographic spread)	6	19	Full time equivalent jobs are controlled by the duration of projects that are reported. This is an indication that Public Bodies are in the main implementing too short termed projects Out of a target of the 25 municipalities in the province, 19 municipalities are reporting on jobs created with the implementation of EPWP projects.

Full Time Equivalent (FTE) refers to one person-year of employment. One person year is equivalent to 230 person days of work. Person-year of employment = total number of person days of employment created for targeted labour during the year divided by 230. For task-rated workers, tasks completed should be used as a proxy for 8 hours of work per day.

Strategic Objective No 3.1: Mobilise all stakeholders towards the successful implementation of the EPWP

Measurable Objective	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Oversee development and sustainability of the Emerging Enterprises	Number of Emerging Contractors participating in Roads and Works projects	188	220	Of the 220, 86 contractors are from Road Infrastructure in both the Motheo and Xhariep Districts. Sites were allocated and contracts have been signed. 134 contractors are from Works Construction and Maintenance.
	Number of New Venture Learnerships created	30	0	A service provider has been appointed and training due to start in 2010/11 financial year.
	Number of unemployed youth participating in Works projects.	393	14	14 learners are place at Centlec for Electrical Apprenticeship Programme others could not be placed due to financial Constraints.

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Service Delivery Achievements: Sub Programme: Expanded Public Works Programme

Strategic Objective No 3.2: Co-ordinate and monitor the implementation of the EPWP within the Free State Province

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on Achieved outputs
Co - ordinate the implementation of the EPWP in the Province	Number of job opportunities created in four sectors:	18,115	38,467	<p>The targets are set by the National Department of Public Works based on the determined criteria which does not include the provincial plans and provincial appropriations.</p> <p>Free State province implemented a lot of initiatives which contributed to job creation. These include operation Hlasela projects. Departments also implemented projects which created job opportunities.</p> <p>The introduction of the incentive scheme motivated municipalities to report on both the Municipal Infrastructure Grant allocations and their own municipal budgets.</p> <p>Full time equivalent jobs are controlled by the duration of projects that are reported. This is an indication that Public Bodies are in the main implementing too short termed projects</p>
	• Full time equivalent	8,349	6,540	
	• Social Sector	5,356	14,655	
	• Full time equivalent	4,201	3,222	
	• Infrastructure Sector	8,471	10,912	
	• Full time equivalent	3,311	1, 971	
	• Environmental and Cultural Sector	4,289	5,194	
	• Full time equivalent	837	681	

Strategic Objective No 3.3: Monitor the implementation of EPWP in the province

Measurable Objectives	Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Monitor compliance with EPWP principles by all provincial departments and municipalities within the Province	Number of EPWP projects implemented by sectors	420	1,384	The over achievement is due to an increased number of projects aimed at rural development, empowerment workshops as well as the commitment of public bodies implementing the EPWP Programme coupled with increased reporting.
Measure the quality of data of EPWP provincial programme	Number of data quality audits	2	1	The EPWP Unit with the assistance of the National Department of Public Works Monitoring & Evaluation unit conducted data audits starting from the 2 nd year of EPWP Phase II.

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EPWP – National Public Works Sector Specific Performance Indicators

Performance Indicators	2009/10 Targets	Actual Outputs	Comments on achieved outputs
Number of people employed (Contractors In the Contractor Development Programme)	188	220	Public Works and Rural Development awarded contracts to 134 emerging contractors, whilst Police, Roads and Transport awarded to contractors.
Number of people employed days created.	8,349	1,504,200	This is calculated by multiplying the person years of work by 230
Number of EPWP jobs created	18,115	38,467	The introduction of the incentive scheme, improvement in monitoring and evaluation and the increase in capacity (appointment of Data Capturers as well as training public bodies on the EPWP reporting systems contributed to the huge improvement.
Number of youths (18–35) employed	5,435	16,541	
Number of women employed	7,246	13,848	
Number of people living with disability	362	186	
Number of people trained	7,000	21,997	

Progress on Expanded Public Works Programme Projects

Project Description	2009/2010 Budget	Expenditure	Progress on site
Renovate the Kroonstad house of the late Reverend Z.R. Mahabane.	R600 ,000	R19,350	Designs are finalized and matching with the existing structure. Arrangements for relocation of the family currently underway.
Complete the construction of the Smithfield Crèche	R1.5m	R0	Planning and design completed in-house. Bill of quantities finalized. Contractor has been appointed and site hand over delayed due to change in project costs
Implement the project on waste beneficiaries. management at Masilonyana for 60	R600, 000	R103,499	Domestic waste is collected from 800 households in Winburg, Brandfort, Verkeerdevelei, Soutpan and Theunissen. Food parcels were distributed amongst the project beneficiaries on the last Friday of each month. The last distribution for the period under review was on 26 March 2010.
Renovation of Community halls			
• Smithfield – GL Rantee Community Hall 13/11/09 – 01/05/2010	R315,446	R120,128	Progress is at 39%. Brickwork at the ablution block completed.
• Jacobsdal Community Hall 13/11/09 – 01/06/2010	R341,947	R83,041	24% progress. Brickwork at the ablutions block completed.
• Edenburg – Willem Green (painting of wall and fencing) and Edenburg community halls 13/11/09 01/06/2010	R971,600	R194,550	Internal paint work; and palisade fencing completed Edenburg Community Hall; Internal wet-trades completed.
• Rouxville Community Hall 13/11/09 – 01/05/2010	R446,033	R85,751	19% progress - Access ramps completed and paint on palisade fences completed
• Boshof - Community Hall 13/11/09 – 01/05/2010	R195,444	R55,842	28% progress - Storm water completed. Painting of fence and building completed.

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Progress on Risk Management: Sub 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.	5	5	25	Web based reporting. Validation.	3	4	12	Awareness workshops with sectors and municipalities	Workshops held for public bodies on the Web Based System and Management Information System. Training was done in-house with assistance of officials from the data bureau of Management Information System.
Coordination not leading to results.	3	3	9	Monitoring. Technical Support.	2	2	4	Assist sectors and municipalities to identify and implement EPWP projects	Out of a target of the 25 municipalities in the province, 19 municipalities are reporting on EPWP. In addition to infrastructure, municipalities are now reporting on Environmental and Culture, Economic and Social sectors.

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13.4 PROGRAMME 4: RURAL DEVELOPMENT PROGRAMME

Purpose

The programme is responsible to coordinate, monitor, evaluate and implement the 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
- Monitoring, Reporting and Impact assessment

Strategic Goal and Strategic Objectives:

Strategic Goal 4: Creation of an environment for developing sustainable economic growth and social development programmes in rural areas.

Strategic Objectives:

- 4.1 Ensure access to rural areas and links to the mainstream economy.
- 4.2 Mobilise and coordinate all stakeholders towards the successful implementation of rural development
- 4.3 Stimulate economic activity and development programmes within rural communities.

Rural Development Programme is a newly established programme with a budget of R28m which has been used in its entirety for rural development projects.

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Progress on Rural Development Projects

Project Description	2009/2010 Budget	Expenditure	Progress
Motheo			
Thaba Nchu			
• Thaba Nchu Barolong: Construction of new Community Hall (to accommodate 1000 people) 16/11/09 – 16/08/2010	R6,768 909	R1,167 075	<ul style="list-style-type: none"> Progress is 17%. The foundation excavations have been completed despite several challenges due to excessive rain. Basic re-enforcing steel binding commenced to formulate raft foundation
• Thaba Nchu Barolong New Community Hall Security Fencing 16/11/09 – 16/08/2010	R796 000	R402, 558	<ul style="list-style-type: none"> 98% progress Fence constructed.
Mangaung			
Batho Clinic Phase 1 (New extensions to consultation rooms and ablution facilities) 01/12/09 – 30/03/2010	R2,000 000	R300, 000	<ul style="list-style-type: none"> 21% progress. Foundations completed.
Xhariep			
Bethany: New Five Classroom School. 02/12/09 – 02/07/2010	R4,670,203	R627 669	<ul style="list-style-type: none"> 14 % progress. Foundation completed
Bethany: New School: Security fence. 02/12/09 – 02/07/2010	R626 000	R350 000	<ul style="list-style-type: none"> 56% progress. Undercoat on poles completed.
Jagersfontein- Renovations of Boaramelo Combined School, (Flooring, Tilling, Ablution upgrade and paintwork) 05/11/09 – 05/05/2010	R397,888	R297,499	<ul style="list-style-type: none"> 74% progress Floor tiles are completed. The work is performed after school hours in order not to disturb school operations.
Jagersfontein: Itumeleng Community Hall: Renovations. (Replacement of floor and paintwork) 05/11/09 – 05/05/2010	R351,000	R114,910	33% progress repairing the floor and roof leakage.
Jagersfontein Itumeleng Sport stadium Project involves upgrading of dressing rooms, toilets, tennis court, basket ball and soccer field	R1, 016 000	R548,185	Progress is 45% on roofing of the dressing rooms and soccer field., Tennis court and basket ball field completed and fenced off.
Thabo Mofutsanyana			
Makgolokoeng:			
• Harrismith: Makgolokoeng New Hall (1000 capacity) 16/11.09 – 16/07/2010	R8,157, 125	R345,246	<ul style="list-style-type: none"> 9% progress Steel on the foundation complete. Electrical conduit to be installed before concrete can be casted
• Harrismith: Makgolokoeng Hall: Fencing 02/11/09– 31/03/2010	R440,135	R325 507	<ul style="list-style-type: none"> 95% progress Fence installed. Busy with defects.
• Harrismith: Makgolokoeng New 8 Classroom Crèche 2 Blocks and an ablution block 16/11.09–16/08/2010	R7,262,967	R1,612,056	<ul style="list-style-type: none"> 25% progress Block A: Brickwork at window level Block B: Complete with casting of concrete. Ablution block: construction started
• Harrismith: Makgolokoeng Crèche : Fencing 02/11/09 – 31/03/2010	R282,279	R0	50% progress . Payment made in the new financial year. Two sides of fences completed.
Diyatalawa:			
• Harrismith: Diyatalawa New School 16/12–15/08/2010	R7,398,810	R2, 096,954	63% progress payments to be made in new financial year. Superstructure and Roofing completed
• Harrismith: Diyatalawa School: Fencing 02/11/09– 31/03/2010	R735 846	R613 599	98% progress. Fence constructed.
Harrismith: Diyatalawa New Crèche 16/11.09 – 16/08/2010	R4, 077,151	R834 811	62% progress. Superstructure and Roofing completed
• Harrismith: Diyatalawa Crèche: Fencing 02/11/09– 31/03/2010	R549 802	R391 643	98% progress. payments to be made in new financial year Fence constructed

DEPARTMENT OF PUBLIC WORKS RURAL DEVELOPMENT
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For the year ended 31 March 2010

REPORT OF THE AUDIT COMMITTEE

Overview

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

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 affairs in accordance with the approved Audit Committee Charter.

Audit Committee and attendance

The Audit Committee meets four times per annum in terms of its approved terms of reference and consisted of six (6) members. The Audit Committee consists of four (4) independent non executive members, and two (2) members who are employed by the Department (executive), as such, the committee consists of majority members who are independent. During the financial year 2009/2010 seven (7) meetings were held and the attendance of members is listed below;

Name of Member	Number of meeting attended	Member Status	Member Status
1. V. Chauke (Chairperson)	7	Independent member	Active
2. K. Khoza	3	Independent member	Active
3. S. Du Plessis	6	Independent member	Resigned (July 2009)
4. M.B Mfanta	3	Non-Independent member	Active
5. G. Dupisani	4	Non-Independent member	Active
6. P. Moloi	5	Independent member	Active

Effectiveness of Internal Controls and Risk Management

- The Audit Committee is of the opinion that the control environment has improved in order to provide reasonable assurance that the risks are managed and that applicable legislation are adhered to, although controls relating to the following functions still need improvement
- Immovable Assets
- Movable Assets

Effectiveness of Internal Audit

The Audit Committee is satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the department.

Evaluation of Financial Statements

The Audit Committee has evaluated and discussed the annual financial statements with the Auditor General.



V. Chauke
Chairperson of the Audit Committee

PART D

ANNUAL FINANCIAL STATEMENTS

AND

REPORT OF THE AUDITOR GENERAL

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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ANNUAL FINANCIAL STATEMENTS

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REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2010

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 R82.818 million 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 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.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2010

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
- Movable asset register completeness due to transfer of functions
- 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 57 projects during the financial year, twenty-two (22) 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:

- Thirteen (13) schools
- Three (3) hospitals
- Two (2) portions of offices
- Four (4) portions of resorts

Spending trends

The total adjusted budget of the Department for the year under review amounted R804 million. The Department recorded an under spending of R10.8 million due to cash flow shortages mainly caused by monies due from Client Departments for office accommodation leased on their behalf that was claimed, but not repaid to the Department. This problem has been resolved through consultation with the Provincial Treasury which resulted in the budget allocation for office accommodation being centralized with the Department of Public Works and Rural Development over the Medium Term Expenditure Framework (MTEF) period.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2010

The appropriation statement shows over and under spending per program:

- Program 1

Administration closed with a break even balance.

- Program 2

Public Works Program closed with an under spending of R5.8 million. This was mainly due to cash flow restraints.

- Program 3

Expanded Public Works closed with an under spending of R5.4 million. All the funds are committed to Labor Intensive Construction Projects that were in process at year-end. The under spending was due to delays in implementation due to the planning required for the large number of small infrastructure projects.

- Program 4

Rural Development closed with an under spending of R4.4 million. All the funds are committed to Labor Intensive Construction Projects in Rural Areas that were in process at year-end. The under spending was due to delays in implementation due to the planning required for the large number of small infrastructure projects.

Comparative figures

Due to the latest guideline received from Treasury, the comparatives as contained in the financial statements were not adjusted for the transfer of the Roads function, which occurred on the 1st of April 2009. This treatment was also confirmed with the Department of Police, Roads & Transport that took over the Roads function, in order to ensure comparability within the Free State Province.

Virement

Due to the centralization of Bursaries with the Department of Education that took place during the financial year a virement was done from Public Works (Program 2) to Administration (Program 1) totaling R861 000. 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 caused due to a premises not occupied by a client Department which were held under a lease agreement. The reason for the fruitless expense was a change in the need of the client Department. Subsequently the building was occupied by another Department.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2010

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 a departmental process. Valuations are fairly expensive and take long to finalize. Budget constraints and skills scarcity prevented the full implementation of market related rentals. Tariffs for parking were reviewed 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.

2.4 Inventories

The department's inventory on hand at year-end, consisted of other consumable materials which are reflected in Annexure 5, and amounts to R176,000.

3. Capacity constraints

The non-availability of suitably experienced artisans and technically qualified staff remains a challenge. There are also various vacancies within the Department due to the transfer of functions to the Department of Police, Roads and Transport and especially the transfer of support staff during the latter part of the financial year. These posts were advertised and will be filled in the next financial year after the finalization of the new Departmental structure.

Several key positions have still not been filled during the year. Several other key employees, particularly within the Supply Chain Management, have been suspended during the past year.

4. Utilization of donor funds

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

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5. Trading entities and public entities

The department did not have any trading and public entities for the year under review. During the previous financial year, the Free State Fleet Management was still functioning under the control of the Department. With the transfer of the Roads function to the Department of Police, Roads & Transport, Fleet Management was transferred as well.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2010

6. Organizations to who transfer payments have been made

A transfer payment of R800,000 was made to the Fezile Dabi District Municipality in terms of an agreement where the District Municipality would act as implementing agent for the renovation of a community hall in Ngwathe.

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 audit Committee, Internal Audit directorate, Risk Management Committee, Supply Chain Bid Evaluation Committee and Supply Chain Bid Adjudication 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

With the transfer of Roads Infrastructure this function is no longer continued or reported in this department. However in the Province, the same functions will continue.

10. New / proposed activities

A function, Rural Development, was added from the beginning of 2009/2010 year to the remaining Department of Public Works to form the Department of Public Works and Rural Development. The department will now coordinate and effect rural development strategies.

11. Asset management

The department has an asset register that is being improved and updated (for completeness and accuracy) on a continuous basis. The provincial database called Premis, is kept on a server within the department and is updated as new data becomes available. The aspects of the previous year audit finding on values were corrected by recalculating 2008 values.

12. Events after the reporting date

MTEF baseline allocations of the Department were increased from 1 April 2010, which includes centralisation of office leases and municipal services for other provincial departments. As from 1 April 2010 all maintenance officials of the Department of Education were transferred to the Department of Public Works and Rural Development, together with their administrative budget.

13. Performance information

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.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE ACCOUNTING OFFICER
For the year ended 31 March 2010

14. Provincial Public Accounts Committee resolutions

No SCOPA resolutions for the year.

15. Prior modifications to audit reports

The Department kept a list of all audit communications linked to responsible managers.

16. Exemptions and deviations received from the National Treasury

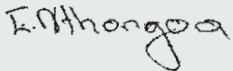
No exemptions and deviations for the year

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 69 to 130 have been approved by the Accounting Officer



Me MME NTHONGOA
ACCOUNTING OFFICER

31 MAY 2010

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE AUDITOR - GENERAL
For the year ended 31 March 2010

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE ON THE FINANCIAL STATEMENTS OF VOTE NO. 9 DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2010.

REPORT ON THE FINANCIAL STATEMENTS

Introduction

I have audited the accompanying financial statements of the Free State Department of Public Works and Rural Development which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 69 to 130

Accounting Officer's responsibility for the financial statements

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

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

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette No. 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for qualified opinion

Immovable tangible capital assets

As a result of the audit findings detailed below, I was unable to obtain sufficient appropriate audit evidence to conclude on the completeness and valuation of immovable tangible capital assets amounting to R66 320 600 000 (2009: R73 293 740 000) as disclosed in note 32 to the financial statements. My audit report on the financial statements for the year ended 31 March 2009, dated 31 July 2009, was modified accordingly.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE AUDITOR - GENERAL
For the year ended 31 March 2010

- In terms of the Executive Council resolution dated 22 July 1998 and the Free State Land Administration Act, 1998 (Act No. 1 of 1998) the department has been appointed the custodian for all government property in the Free State. In terms of the departmental framework, as custodian of the provincial property the department should capitalise all improvements effected to property under its control. Certificates for completion of additions to non-residential buildings amounting to R42 697 701 (2009: R35 169 000) and other fixed structures amounting to R206 069 206 could not be obtained. In the absence of supporting documentation, there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance regarding the valuation of additions to non-residential buildings amounting to R87 981 000 (2009: R282 975 000) and other fixed structures amounting to R857 685 000 (2009: R176 541 000) as disclosed in note 32 to the financial statements.
- I could also not be provided with sufficient appropriate evidence to substantiate the work in progress reported by the department amounting to R371 483 000 due to lack of supporting information for expenditure on projects not completed during the year
- According to strategic objective no. 2.1 included in paragraph 13.2 of the annual report fourteen additions to none residential buildings were completed during the year. These properties were neither included in the asset registers nor included in the disclosure note 32 to the financial statements. The value of these assets not included in the asset registers could not be determined.

Movable tangible capital assets

- As a result of the audit findings detailed below, I was unable to obtain sufficient audit evidence to conclude on the existence, valuation, completeness and ownership of movable tangible assets amounting to R25 018 000 (2009: R28 479 000) disclosed in note 30 to the financial statements.
- I was unable to relate physical assets identified at the department to the underlying asset records that support the financial statement disclosure for movable major assets. My inability to confirm these assets in the asset records of the department was due to the fact that, unique asset numbers or serial numbers are not recorded in the asset records and as the department makes use of generic asset descriptions, these assets cannot be related to individual assets in the records supporting the financial statement disclosure.
- A difference of R5 483 628 was identified between asset disposals (transferred to the Department of Police, Roads and Transport) and supporting information relating to the transfer as a result of the transfer of function during the year.
- A difference of R13 510 765 was identified between the asset register for movable asset register and the amount disclosed in note 30 to the annual financial statements.
- A difference of R10 449 159 was identified between the asset register and amounts recorded in the minor asset register.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE AUDITOR - GENERAL
For the year ended 31 March 2010

Receivables for departmental revenue

The Departmental Financial Reporting Framework guide defines receivables for departmental revenue as receivables for services rendered and /or goods sold where no cash has been received at year end.

Owing to inadequate documentation, retention and safeguarding of, and shortcomings in the management of property rentals, rental agreements between the department as landlord and tenants occupying state property could either not be provided to me or had expired and a new agreement had not yet been concluded.

In the absence of sufficient, appropriate supporting documentation I was not able to perform all the procedures or obtain all the explanations that I deem necessary 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 R24 038 000 (2009: R17 322 000) as disclosed in note 23 to the financial statements;
- the related provision for doubtful debts amounting to R23 285 000 (2009: R16 171 000) as disclosed in note 28 to the financial statements; and
- related revenue amounting to R5 804 000 (2009: R16 619 000) as disclosed in note 2 to the financial statements.

Contingent liabilities

Supporting documentation for the calculation of the estimated cost for the environmental rehabilitation of quarries, included in contingent liabilities (disclosed in note 18 to the financial statements) amounting to R539 400 000(2009; R1 897 018) could not be obtained. The valuation of this amount could therefore not be confirmed.

Irregular expenditure

Section 38(1)(a)(iii) of the PFMA requires the department to implement and maintain an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective. The irregular expenditure disclosed in note 24 to the financial statements that amounted to R146 624 000 (2009: R87 055 000) consists mainly of issues of non-compliance with the supply chain management policy that was raised during the audit process. This irregular expenditure disclosed was not detected or prevented by the department's system of internal control and I could not be provided with sufficient, appropriate audit evidence that management has properly identified, investigated and recorded all irregular expenditure transactions during the year under review. I could therefore not verify the completeness of irregular expenditure as disclosed in note 24 to the financial statements.

Qualified opinion

In my opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Department of Public Works and Rural Development as at 31 March 2010 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 to the financial statements and in the manner required by the PFMA and DoRA.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE AUDITOR - GENERAL
For the year ended 31 March 2010

Emphasis of matter

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

Basis of accounting and amendments to the applicable basis of accounting

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

Restatement of corresponding figures

As disclosed in notes 8 (unauthorised expenditure), 13 (voted funds to be surrendered), 18 (contingent liabilities), 24 (irregular expenditure), to the financial statements, the corresponding figures for 31 March 2009 have been restated as a result of errors discovered during 2010 in the financial statements of the Department of Public Works and Rural Development at, and for the year ended, 31 March 2009.

Additional matters

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

Unaudited supplementary schedules

The supplementary information set out on pages 131 to 135 does not form part of the financial statements and is presented as additional information. I have not audited these annexures and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the PAA of South Africa and *General notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the PFMA, and financial management (internal control).

Findings

Predetermined objectives

Usefulness of reported performance information

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

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

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE AUDITOR - GENERAL
For the year ended 31 March 2010

The following audit findings relate to the above criteria:

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

For the selected programme 18% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance.

Compliance with laws and regulations

- **Public Finance Management: Act No. 1 of 1999 and Treasury Regulations of 2005 (TR):**

Non adherence

Contrary to Treasury Regulation 16A3 and 16A4 certain procurement transactions were not done in a fair, transparent and equitable manner.

Contrary to TR 7.2.1, the accounting officer did not collect all receivables due to the department.

Contrary to requirements of TR 8.2.3 and section 38(1)(f) of the PFMA, payments amounting to R3 037 057 were made in excess of 30 days from receipt of the invoices.

INTERNAL CONTROL

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

- **Leadership**

Control weaknesses reported in the previous year's audit report were only partially addressed.

The asset register was improved, but the absence of a system to account for additions and work in progress and to maintain supporting documentation resulted in similar audit findings as in the previous year regarding immovable assets

The transfer of the Roads function on 1 April 2010 was not adequately planned and coordinated, resulting in the Department incorrectly transferring all the assets for the Roads Chief Directorate to the Department of Police Roads and Transport. The department is currently in a process of having to recreate its assets register to include assets that should not have been actually transferred.

The oversight and control responsibility of the accounting officer to ensure compliance with laws and regulations could not be adequately discharged. Contributing factors can be the high number of vacancies in critical positions, especially in the Property and Supply Chain Management Sections. There was no control over departmental revenue with regard to rental income and departmental receivables from property within the Property Section and all irregular expenses were not prevented or detected by Supply Chain Management and Finance Sections.

The suspension of five senior officials of the department contributed to further weaknesses in leadership and oversight. The remaining senior officials had to fulfil the management and leadership role putting the organisational structure under severe pressure. Consultants were utilized to improve the asset register and compile the financial statements.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

REPORT OF THE AUDITOR - GENERAL
For the year ended 31 March 2010

- Financial and performance management

Effective financial and performance systems, processes and procedures and the management thereof have not been adequately implemented. The financial statements were subject to material amendments with regard to the notes to the financial statements as there are limited or no systems to capture financial information to be disclosed in the notes to the financial statements throughout the year.

Information supporting financial transactions was also delayed due to non-cooperation from certain units within the Department.

- Governance

Although the department conducted risk assessment on a regular basis and developed a risk management strategy, which includes a fraud prevention plan, the risk assessment strategy is not utilised effectively to mitigate risk in the department. Internal controls are not selected and developed to prevent / detect and correct material misstatements throughout the year to ensure proper records and financial information for complete and accurate financial reporting.

OTHER REPORTS

- Investigations

Investigations completed during the financial year

A special investigation was conducted by the Auditor General of South Africa on request of the Accounting Officer during the financial year. The investigation covered supply chain management activities. The final report had not been issued at the conclusion of the audit.

At the request of the Provincial Premier, a private firm is conducting a forensic audit on all provincial supply chain management units with a special emphasis on contracts for capital projects.

Auditor-General

Bloemfontein

31 July 2010



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT

VOTE 9

APPROPRIATION STATEMENT

For the year ended 31 March 2010

APPROPRIATION STATEMENT	Appropriation per programme							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	59,893	(348)	1,136	60,681	61,070	(389)	100.6%	98,937	99,015
Transfers and subsidies	1,575	-	(275)	1,300	1,156	144	88.9%	250	188
Payment for capital assets	158	348	-	506	261	245	51.6%	1,134	1,109
2. Public Works									
Current payment	450,606	3,966	(1,136)	453,436	453,810	(374)	100.1%	374,733	385,170
Transfers and subsidies	186,422	-	275	186,697	186,687	10	100.0%	126,366	71,900
Payment for capital assets	66,170	(3,966)	-	62,204	57,712	4,492	92.8%	89,995	85,542
3. EPWP									
Current payment	12,013	(841)	-	11,172	11,172	-	100.0%	13,338	11,280
Transfers and subsidies	100	800	-	900	864	36	96.0%	90	-
Payment for capital assets	8,655	41	-	8,696	4,430	4,266	50.9%	7,860	6,318
4. Rural Development									
Current payment	18,374	(1,528)	-	16,846	14,470	2,376	85.9%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	3	1,528	-	1,531	1,498	33	97.8%	-	-
Prior year programme:									
3. Roads									
Current payment	-	-	-	-	-	-	0.0%	197,418	173,305
Transfers and subsidies	-	-	-	-	-	-	0.0%	1,732	16,365
Payment for capital assets	-	-	-	-	-	-	0.0%	783,232	772,542
Subtotal	803,969	-	-	803,969	793,130	10,839	98.7%	1,695,085	1,622,734
Statutory Appropriation									
Current payment	-	-	-	-	-	-	0.0%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-
TOTAL	803,969	-	-	803,969	793,130	10,839	98.7%	1,695,085	1,622,734

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

APPROPRIATION STATEMENT

For the year ended 31 March 2010

	2009/10		2008/09	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	803,969	793,130	1,695,085	1,622,734
<i>Reconciliation with statement of financial performance</i>				
ADD:				
Departmental receipts	-	-	-	-
Direct Exchequer receipts	-	-	-	-
Aid assistance	-	-	-	-
Actual amounts per statement of financial performance (total revenue)	803,969		1,695,085	
ADD				
Aid assistance		-		-
Direct Exchequer payments		-		-
Prior year unauthorised expenditure approved without funding		-		-
Actual amounts per statement of financial performance (total expenditure)		793,130		1,622,734

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT

VOTE 9

APPROPRIATION STATEMENT

For the year ended 31 March 2010

	Appropriation per economic classification						2008/09	
	2009/10						Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Current payments								
Compensation of employees	253,159	(11,691)	(986)	240,482	240,190	292	99.9%	329,283
Goods and services	287,727	12,940	986	301,653	293,925	7,728	97.4%	338,442
Interest and rent on land	-	-	-	-	-	-	0.0%	-
Financial transactions in assets and liabilities	-	-	-	-	6,408	(6,408)	100.0%	1,062
Transfers and subsidies								
Provinces and municipalities	185,104	800	-	185,904	185,895	9	100.0%	70,199
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-
Universities and technicons	-	-	-	-	-	-	0.0%	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-
Non-profit institutions	-	-	-	-	-	-	0.0%	-
Households	2,993	-	-	2,993	2,811	182	93.9%	18,254
Gifts and donations	-	-	-	-	-	-	0.0%	-
Payments for capital assets								
Buildings and other fixed structures	73,911	(4,949)	-	68,962	61,417	7,545	89.1%	859,459
Machinery and equipment	1,075	2,900	-	3,975	2,484	1,491	62.5%	4,993
Biological assets	-	-	-	-	-	-	0.0%	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	448
Land and subs oil assets	-	-	-	-	-	-	0.0%	594
Total	803,969	-	-	803,969	793,130	10,839	98.7%	1,622,734

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT

VOTE 9

DETAIL PER PROGRAMME

For the year ended 31 March 2010

PROGRAMME 1: ADMINISTRATION

2009/10										2008/09	
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	5,930	56	-	6,286	6,121	165	97.4%	4,716	5,237		
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-		
Payment for capital assets	7	101	-	108	86	22	79.6%	12	11		
1.2 Management/Head Of Department											
Current payment	4,944	(1,691)	-	3,253	3,068	185	94.3%	4,949	4,796		
Transfers and subsidies	-	-	-	-	-	-	0.0%	58	57		
Payment for capital assets	42	90	-	132	95	37	72.0%	38	33		
1.3 Corporate Support											
Current payment	49,019	987	1,136	51,142	51,881	(739)	101.4%	89,272	88,982		
Transfers and subsidies	1,575	-	(275)	1,300	1,156	144	88.9%	192	131		
Payment for capital assets	109	157	-	266	80	186	30.1%	1,084	1,065		
Total	61,626	-	861	62,487	62,487	-	100.0%	100,321	100,312		

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

DETAIL PER PROGRAMME
For the year ended 31 March 2010

PROGRAMME 1: ADMINISTRATION

2009/10										2008/09	
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	36,664	-	150	36,814	36,792	22	99.9%	50,870	50,858		
Goods and services	23,229	(348)	986	23,867	23,023	844	96.5%	48,067	47,755		
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-		
Financial transactions in assets and liabilities	-	-	-	-	1,255	(1,255)	100.0%	-	402		
Transfers and subsidies to											
Provinces and municipalities	-	-	-	-	-	-	0.0%	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-		
Universities and technicians	-	-	-	-	-	-	0.0%	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-		
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-		
Households	1,575	-	(275)	1,300	1,156	144	88.9%	250	188		
Payment for capital assets											
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	-	-		
Machinery and equipment	158	348	-	506	261	245	51.6%	681	661		
Biological assets	-	-	-	-	-	-	0.0%	-	-		
Software and other intangible assets	-	-	-	-	-	-	0.0%	453	448		
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-		
Total	61,626	-	861	62,487	62,487	-	100.0%	100,321	100,312		

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9DETAIL PER PROGRAMME
For the year ended 31 March 2010

PROGRAMME 2: PUBLIC WORKS

Detail per sub-programme	2009/10				2008/09				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support Office									
Current payment	6,843	(1,572)	(45)	5,226	7,044	(1,818)	134.8%	5,555	29,109
Transfers and subsidies	-	-	-	-	-	-	0.0%	472	533
Payment for capital assets	30	-	-	30	7	23	23.3%	-	-
2.2 Design									
Current payment	9,082	(275)	-	8,807	8,794	13	99.9%	8,567	8,003
Transfers and subsidies	107	-	-	107	107	-	100.0%	28	28
Payment for capital assets	200	400	-	600	507	93	84.5%	1,776	1,776
2.3 Construction									
Current payment	6,109	159	-	6,268	6,235	33	99.5%	5,812	5,266
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	61,940	(5,000)	-	56,940	53,358	3,582	93.7%	86,857	82,407
2.4 Maintenance									
Current payment	119,663	(12,571)	(370)	106,722	108,357	(1,635)	101.5%	105,485	101,076
Transfers and subsidies	489	16	275	780	780	-	100.0%	572	699
Payment for capital assets	65	-	-	65	-	65	0.0%	1,060	1,058
2.5 Property Management									
Current payment	308,909	18,225	(721)	326,413	323,380	3,033	99.1%	249,314	241,716
Transfers and subsidies	185,826	(16)	-	185,810	185,800	10	100.0%	125,294	70,640
Payment for capital assets	3,935	634	-	4,569	3,840	729	84.0%	302	301
Total	703,198	-	(861)	702,337	698,209	4,128	99.4%	591,094	542,612

DETAIL PER PROGRAMME

For the year ended 31 March 2010

Economic classification	2009/10				2008/09				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	210,472	(10,781)	(1,136)	198,555	198,327	228	99.9%	180,154	180,027
Goods and services	240,134	14,747	-	254,881	253,475	1,406	99.4%	194,579	205,160
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	2,009	(2,009)	0.0%	-	-
Transfers and subsidies to									
Provinces and municipalities	185,104	-	-	185,104	185,095	9	100.0%	125,066	70,199
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
Universities and technicians	-	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	1,318	-	275	1,593	1,591	2	99.9%	1,300	1,701
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	65,274	(5,000)	-	60,274	57,008	3,266	94.6%	85,446	81,442
Machinery and equipment	896	1,034	-	1,930	704	1,226	36.5%	4,549	4,083
Biological assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	-	-
Total	703,198	-	(861)	702,337	698,209	4,128	99.4%	591,094	542,612

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

DETAIL PER PROGRAMME

For the year ended 31 March 2010

PROGRAMME 3: EPWP

Detail per subprogramme	2009/10				2008/09				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support									
Current payment	8,060	(1,183)	-	6,877	7,843	(966)	114.0%	11,320	9,324
Transfers and subsidies	100	-	-	100	64	36	64.0%	90	-
Payment for capital assets	18	(10)	-	8	21	(13)	262.5%	52	31
3.2 Innovation and Empowerment									
Current payment	1,357	(800)	-	557	515	42	92.5%	2,018	1,956
Transfers and subsidies	-	800	-	800	800	-	100.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	7,808	6,287
3.3 EPWP Co-ordination and Monitoring									
Current payment	2,596	1,142	-	3,738	2,814	924	75.3%	-	-
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	8,637	51	-	8,688	4,409	4,279	50.7%	-	-
Total	20,768	-	-	20,768	16,466	4,302	79.3%	21,288	17,598

Economic classification	2009/10				2008/09				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	6,023	(910)	-	5,113	5,071	42	99.2%	6,110	5,832
Goods and services	5,990	69	-	6,059	4,975	1,084	82.1%	7,228	5,448
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	1,126	(1,126)	100.0%	-	-
Transfers and subsidies to:									
Provinces and municipalities	-	800	-	800	800	-	100.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
Universities and technicians	-	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-
Nonprofit institutions	-	-	-	-	-	-	0.0%	-	-
Households	100	-	-	100	64	36	64.0%	90	-
Gifts and donations	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings and other fixed structures	8,637	51	-	8,688	4,409	4,279	50.7%	7,808	6,287
Machinery and equipment	18	(10)	-	8	21	(13)	262.5%	52	31
Biological assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	20,768			20,768	16,466	4,302	79.3%	21,288	17,598

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

DETAIL PER PROGRAMME
For the year ended 31 March 2010

PROGRAMME 4: RURAL DEVELOPMENT PROGRAMME

2009/10										2008/09		
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	R'000		
4.1 Programme Support												
Current payment	-	-	-	-	-	-	0.0%	-	-	-		
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	-		
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-	-		
4.2 Community Development Projects												
Current payment	18,374	(1,528)	-	16,846	14,470	2,376	85.9%	-	-	-		
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	-		
Payment for capital assets	3	1,528	-	1,531	1,498	33	97.8%	-	-	-		
4.3 Community Development Co-ordination and Monitoring												
Current payment	-	-	-	-	-	-	0.0%	-	-	-		
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-	-		
Payment for capital assets	-	-	-	-	-	-	0.0%	-	-	-		
Total	18,377	-	-	18,377	15,968	2,409	86.9%	-	-	-		

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

DETAIL PER PROGRAMME

For the year ended 31 March 2010

PROGRAMME 4: RURAL DEVELOPMENT PROGRAMME

Economic classification	Adjusted Appropriation	2009 / 10			Variance	2008/09		
		Shifting of Funds	Virement	Final Appropriation		Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	0.0%	-	-
Compensation of employees	18,374	(1,528)	-	16,846	4,394	73.9%	-	-
Goods and services	-	-	-	-	-	0.0%	-	-
Interest and rent on land	-	-	-	-	(2,018)	100.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	0.0%	-	-
Transfers and subsidies to:	-	-	-	-	-	0.0%	-	-
Provinces and municipalities	-	-	-	-	-	0.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	0.0%	-	-
Universities and technicons	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	0.0%	-	-
Households	-	-	-	-	-	0.0%	-	-
Gifts and donations	-	-	-	-	-	0.0%	-	-
Payment for capital assets	3	1,528	-	1,531	33	97.8%	-	-
Buildings and other fixed structures	-	-	-	-	-	0.0%	-	-
Machinery and equipment	-	-	-	-	-	0.0%	-	-
Biological assets	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	0.0%	-	-
Total	18,377	-	-	18,377	2,409	86.9%	-	-

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9
DETAILS OF THE PROGRAMME
For the year ended 31 March 2010

PRIOR YEAR PROGRAMME 3: ROADS

The prior year programme 3: Roads was transferred to the Department of Police, Roads and Transport with an effective date of 1 April 2009. This programme has been included here for complete disclosure of the comparative figures.

Detail per sub- programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support Office									
Current payment	-	-	-	-	-	-	0.0%	3,784	2,721
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	3
Payment for capital assets	-	-	-	-	-	-	0.0%	400	-
3.2 Planning									
Current payment	-	-	-	-	-	-	0.0%	3,426	3,100
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	698	642
3.3 Design									
Current payment	-	-	-	-	-	-	0.0%	12,912	11,792
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	16
Payment for capital assets	-	-	-	-	-	-	0.0%	54,012	51,729
3.4 Construction									
Current payment	-	-	-	-	-	-	0.0%	1,070	2,167
Transfers and subsidies	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	718,977	710,493
3.5 Maintenance									
Current payment	-	-	-	-	-	-	0.0%	176,226	153,525
Transfers and subsidies	-	-	-	-	-	-	0.0%	1,732	16,346
Payment for capital assets	-	-	-	-	-	-	0.0%	9,145	9,678
Total	-	-	-	-	-	-	0.0%	982,382	962,212

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9DETAIL PER PROGRAMME
For the year ended 31 March 2010

PRIOR YEAR PROGRAMME 3: ROADS

Economic classification	2009/10					2008/09			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	-	-	-	-	-	-	0.0%	97,974	92,566
Compensation of employees	-	-	-	-	-	-	0.0%	99,444	80,079
Goods and services	-	-	-	-	-	-	0.0%	-	-
Interest and rent on land	-	-	-	-	-	-	0.0%	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	0.0%	-	660
Transfers and subsidies to:	-	-	-	-	-	-	0.0%	-	-
Provinces and municipalities	-	-	-	-	-	-	0.0%	-	-
Departmental agencies and accounts	-	-	-	-	-	-	0.0%	-	-
Universities and technicians	-	-	-	-	-	-	0.0%	-	-
Foreign governments and international organisations	-	-	-	-	-	-	0.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	0.0%	-	-
Non-profit institutions	-	-	-	-	-	-	0.0%	-	-
Households	-	-	-	-	-	-	0.0%	1,732	16,365
Gifts and donations	-	-	-	-	-	-	0.0%	-	-
Payment for capital assets	-	-	-	-	-	-	0.0%	781,943	771,730
Buildings and other fixed structures	-	-	-	-	-	-	0.0%	639	218
Machinery and equipment	-	-	-	-	-	-	0.0%	-	-
Biological assets	-	-	-	-	-	-	0.0%	-	-
Software and other intangible assets	-	-	-	-	-	-	0.0%	-	-
Land and subsoil assets	-	-	-	-	-	-	0.0%	650	594
Total	-	-	-	-	-	-	0.0%	982,382	962,212

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

NOTES TO THE APPROPRIATION STATEMENT
For the year ended 31 March 2010

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

Detail of these transactions can be viewed in 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	62,487	62,487	-	0%
No variance.				
Programme 2: Public Works	702,337	698,209	4,128	1%
The under spending was due to the shortage in cash-flow and delays in the payment of inter departmental rental claims by client departments. The production at the Bethlehem testing station was stopped by the court in November 2009 due to a dispute. All payments towards the contractor were also suspended.				
Programme 3: EPWP	20,768	16,466	4,302	21 %
The under spending was due to infrastructure projects not started according to the planned timeframe and some placed on hold. The interim court ruling on a dispute and the cashflow had also contributed to the under expenditure.				

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2010

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

Programme 4: Rural Development Programme	18,377	15,968	2,409	13 %
Infrastructure projects did not start on the planned timeframes. The cashflow problems contributed to the non- or late payments of contractor certificates. Project start late due to internal delays within the department.				

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	542,135	540,523	1,612	
Compensation of employees	240,482	240,190	292	0.12%
Goods and services	301,653	293,925	7,728	2.56%
Financial transactions in assets and liabilities	-	6,408	(6,408)	(100%)
Transfers and subsidies	188,897	188,706	191	
Provinces and municipalities	185,904	185,895	9	0.00%
Households	2,993	2,811	182	6.08%
Payments of capital assets	72,937	63,901	9,036	
Buildings and other fixed structures	68,962	61,417	7,545	10.94%
Machinery and equipment	3,975	2,484	1,491	37.51%

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31 March 2010

	Note	2009 /10 R'000	2008 /09 R'000
REVENUE			
Annual appropriation	1	803,969	1,695,085
Departmental revenue	2	-	-
TOTAL REVENUE		803,969	1,695,08 5
EXPENDITURE			
Current expenditure			
Compensation of employees	3	240,191	329,283
Goods and services	4	291,709	308,583
Financial transactions in assets and liabilities	5	6 408	1,062
Unauthorised expenditure approved without funding	8	-	29,859
Total current expenditure		538,308	668,787
Transfers and subsidies	6	188,707	88,453
Expenditure for capital assets			
Tangible capital assets	7	66,115	718,190
Software and other intangible assets	7	-	448
Unauthorised expenditure approved without funding	8	-	146,856
Total expenditure for capital assets		66,115	865,494
TOTAL EXPENDITURE		793,130	1,622,734
SURPLUS FOR THE YEAR		10,839	72,351
Reconciliation of Net Surplus for the year			
Voted Funds		10,839	72,351
Annual appropriation		10,839	72,351
Conditional grants		-	-
Unconditional grants		-	-
SURPLUS FOR THE YEAR		10,839	72,351

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2010

	<i>Note</i>	2009 /10 R'000	2008 /09 R'000
ASSETS			
Current assets		89,334	104,831
Unauthorised expenditure	8	-	27,574
Fruitless and wasteful expenditure	9	-	5,698
Cash and cash equivalents	10	38,381	3,343
Prepayments and advances	11	1,613	32
Receivables	12	49,340	68,184
Non -current assets		-	-
TOTAL ASSETS		89,334	104,831
LIABILITIES			
Current liabilities		88,617	104,057
Voted funds to be surrendered to the Revenue Fund	13	16,251	99,922
Departmental revenue to be surrendered to the Revenue Fund	14	364	4,082
Payables	15	72,002	53
Non -current liabilities		-	-
TOTAL LIABILITIES		88,617	104,057
NET ASSETS		717	774
Represented by:			
Recoverable revenue		717	774
TOTAL		717	774

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2010

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Recoverable revenue			
Opening balance		774	879
Transfers:		(56)	(105)
Debts recovered (included in departmental receipts)		(324)	(304)
Debts raised		267	199
Closing balance		717	774
TOTAL		717	774

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

CASH FLOW STATEMENT
For the year ended 31 March 2010

	<i>Note</i>	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		810,866	1,712,857
Annual appropriated funds received	1.1	803,969	1,695,085
Departmental revenue received	2	6,897	17,772
Net (increase)/decrease in working capital		122,484	(68,779)
Surrendered to Revenue Fund		(1 05,320)	(74,394)
Current payments		(538,308)	(638,928)
Transfers and subsidies paid		(188,707)	(88,453)
Net cash flow available from operating activities	16	101,015	842,303
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(66,115)	(718,638)
Proceeds from sale of capital assets	2	195	316
Net cash flows from investing activities		(65,920)	(718,322)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(57)	(105)
Net cash flows from financing activities		(57)	(105)
Net increase in cash and cash equivalents		35,038	123,876
Cash and cash equivalents at the beginning of the period		3,343	(120,533)
Cash and cash equivalents at end of period	17	38,381	3,343

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

ACCOUNTING POLICIES
For the year ended 31 March 2010

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

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

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

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

Unexpended appropriated funds are surrendered to the 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.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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ACCOUNTING POLICIES
For the year ended 31 March 2010

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.

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).

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 Aid assistance

Aids assistance is recognised as revenue when received.

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

The cash payments made during the year relating to 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 local and foreign aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as 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 Short-term employee benefits

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

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

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

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ACCOUNTING POLICIES
For the year ended 31 March 2010

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) is expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

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

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

3.2 Goods and services

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

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

3.3 Interest and rent on land

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

3.4 Financial transactions in assets and liabilities

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

Forex losses are recognised on payment of funds. All other losses are recognised when authorisation has been granted for the recognition thereof.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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ACCOUNTING POLICIES
For the year ended 31 March 2010

3.5 Transfers and subsidies

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

3.6 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance. Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.7 Fruitless and wasteful expenditure

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

3.8 Irregular expenditure

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

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 where the goods and services have not been received by year end.

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 or from the sale of goods/rendering of services.

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

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ACCOUNTING POLICIES
For the year ended 31 March 2010

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.

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 Voted funds to be surrendered to the Revenue Fund

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

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9

ACCOUNTING POLICIES
For the year ended 31 March 2010

5.2 Departmental revenue to be surrendered to the 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 at cost.

5.3 Direct Exchequer receipts to be surrendered to the Revenue Fund

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

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

5.4 Bank overdraft

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

5.5 Payables

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

5.6 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements 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.

5.7 Contingent assets

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

5.8 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.

5.9 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

5.10 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.

5.11 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.

5.12 Provisions

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

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ACCOUNTING POLICIES
For the year ended 31 March 2010

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

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

7.2 Recoverable revenue

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

8. Related party transactions

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

9. Key management personnel

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

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.

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2010

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation received 2008/09 R'000
Administration	62,487	62,487	-	100,321
Public Works	702,337	702,337	-	591,094
EPWP	20,768	20,768	-	21,288
Rural Development Programme	18,377	18,377	-	-
Prior year programme: Roads	-	-	-	982,382
Total	803,969	803,969	-	1,695,085

The prior year programme 3: Roads was transferred to the Department of Police, Roads and Transport with an effective date of 1 April 2009. This programme has been included here for complete disclosure of the comparative figures.

1.2 Conditional grants

		2009/10 R'000	2008/09 R'000
Total grants received	Note 33	194,222	1,119,866
Provincial grants included in Total Grants received		-	395,212

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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2. Departmental revenue

	Note	2009/10 R'000	2008/09 R'000
Sales of goods and services other than capital assets			
	2.1	5,652	16,290
Interest, dividends and rent on land	2.2	152	329
Sales of capital assets	2.3	195	316
Financial transactions in assets and liabilities	2.4	1,093	1,153
Total revenue collected		7,092	18,088
Less: Own revenue included in appropriation	14	7,092	18,088
Departmental revenue collected		-	-

2.1 Sales of goods and services other than capital assets

Note 2

Sales of good and services produced by department	5,652	16,267
Sales by market establishment	5,135	7,387
Administrative fees	-	7,842
Other sales	517	1,038
Sales of scrap, waste and other used current goods	-	23
Total	5,652	16,290

2.2 Interest, dividends and rent on land

Note 2

Interest	152	329
Total	152	329

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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2.3 Sale of capital assets

	Note 2	2009/10 R'000	2008/09 R'000
Tangible capital assets		195	316
Buildings and other fixed structures		195	-
Machinery and equipment		-	316
Total		195	316

2.4 Financial transactions in assets and liabilities

	Note 2		
Receivables		262	427
Other Receipts including Recoverable Revenue		831	726
Total		1,093	1,153

3. Compensation of employees

3.1 Salaries and Wages

Basic salary	165,149	227,861
Performance award	2,790	6,898
Service Based	358	1,945
Compensative/circumstantial	2,669	3,842
Periodic payments	20	250
Other non-pensionable allowances	32,664	44,296
Total	203,650	285,092

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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3.2 Social contributions

	2009/10 R'000	2008/09 R'000
Employer contributions		
Pension	21,208	28,841
Medical	15,271	15,193
Bargaining council	62	157
Total	<u>36,541</u>	<u>44,191</u>
 Total compensation of employees	 <u>240,191</u>	 <u>329,283</u>
 Average number of employees	 <u>2,053</u>	 <u>3,286</u>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2010

4. Goods and services

		2009/10 R'000	2008/09 R'000
Administrative fees	<i>Notes</i>	110	2,557
Advertising		1,049	2,369
Assets less than R5,000	4.1	509	4,017
Bursaries (employees)		2,985	6,746
Catering		1,158	3,618
Communications		4,177	5,090
Computer services	4.2	1,288	6,743
Consultants, Contractors and agency/outourced services	4.3	27,544	17,294
Entertainment		230	299
Audit cost – external	4.4	6,265	4,600
Inventory	4.5	8,217	41,667
Operating leases		72,753	128,654
Owned and leasehold property expenditure	4.6	152,842	60,455
Transport provided as part of the departmental activities		93	27
Travel and subsistence	4.7	12,109	19,894
Venues and facilities		122	246
Training and staff development		257	3,423
Other operating expenditure	4.8	1	884
Total		291,709	308,583

4.1 Assets less than R5,000

Note 4

Tangible assets

Machinery and equipment	506	3,945
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Intangible assets

	3	72
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Total	509	4,017
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2010

4.2 Computer services

	2009/10	2008/09
	R'000	R'000
<i>Note 4</i>		
SITA computer services	1,288	4,910
External computer service providers	-	1,833
Total	1,288	6,743

4.3 Consultants, contractors and agency/outsourced services

<i>Note 4</i>		
Business and advisory services	3,171	879
Infrastructure and planning	812	9,242
Legal costs	2,760	1,764
Contractors	20,801	5,400
Agency and support/outsourced services	-	9
Total	27,544	17,294

4.4 Audit cost – External

<i>Note 4</i>		
Regularity audits	6,265	4,391
Special Investigations	-	209
Total	6,265	4,600

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2010

4.5 Inventory

	<i>Note 4</i>	2009/10 R'000	2008/09 R'000
Fuel, oil and gas		15	18,853
Other consumable materials		4,626	18,603
Maintenance material		1,451	1,213
Stationery and printing		2,124	2,998
Medical supplies		1	-
Total		8,217	41,667

4.6 Owned and leasehold property expenditure

	<i>Note 4</i>		
Municipal services		148,512	53,193
Other		4,330	7,262
Total		152,842	60,455

4.7 Travel and subsistence

	<i>Note 4</i>		
Local		11,976	19,393
Foreign		133	501
Total		12,109	19,894

4.8 Other operating expenditure

	<i>Note 4</i>		
Resettlement costs		-	602
Other		1	282
Total		1	884

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2010

5. Financial transactions in assets
and liabilities

	<i>Note 5.1</i>	2009/10 R'000	2008/09 R'000
Other material losses written off		6,408	1,062
Total		6,408	1,062

5.1 Other material losses written off

Note 5

Nature of losses

Debt of CETA NFS Programme	-	660
Incorrect salary notches	-	169
Outstanding tax on vehicle and subsistence	-	233
Staff debt written off	499	-
Losses	62	-
Legal losses	150	-
Interest on bank account 2007/2008	5,697	-
Total	6,408	1,062

6. Transfers and subsidies

Provinces and municipalities	<i>34</i>	185,894	70,199
Households	<i>Annex 1A</i>	2,813	18,254
Total		188,707	88,453

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2010

7. Expenditure for capital assets

		2009/10 R'000	2008/09 R'000
Tangible assets		66,115	718,190
Buildings and other fixed structures		63,599	712,602
Machinery and equipment	30.1	2,516	4,993
Land and subsoil assets		-	595
Software and other intangible assets		-	448
Computer software	31.1	-	448
Total		66,115	718,638
Compensation of employees		-	-
Goods and services		-	9,553
Total		-	9,553

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

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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7.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds	2009/10	2008/09
	R'000	R'000	R'000
		Aid assistance	Total
		R'000	R'000
Tangible assets	718,190	-	718,190
Buildings and other fixed structures	712,602	-	712,602
Machinery and equipment	4,993	-	4,993
Land and subsoil assets	595	-	595
Software and other intangible assets	448		448
Computer software	448	-	448
Total assets acquired	718,638	-	718,638

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	2009/10 R'000	2008/09 R'000
Opening balance	27,574	210,405
Unauthorised expenditure- discovered in current year	-	-
Less: Amounts approved by Parliament/Legislature (with funding)	(27,574)	-
Less: Amounts approved by Parliament/Legislature (with out funding)		
Current	-	(29,859)
Capital	-	(146,856)
Less: Transfer to receivables for recovery	-	(6,116)
Unauthorised expenditure awaiting authorisation	-	27,574
Analysis of awaiting authorisation per economic classification		
Capital	-	27,574
Current	-	-
Total	-	27,574

The comparative amounts for the opening balance and the capital amount approved without funding has been restated to exclude the amount of R155 100' that was saved in the 2007/2008 financial year. The effect on the comparative amounts is:

Opening balance was R365,505 and has been reduced by R155,100 to be R210,405 Amounts approved without funding - Capital was R301,956 and was reduced by R155,100 to be R146,856

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2010

9. Fruitless and wasteful expenditure

9.1 Reconciliation of fruitless and wasteful expenditure

	2009/10 R'000	2008/09 R'000
Opening balance	5,698	5,866
Less: Amounts condoned	(5,698)	-
Current Capital	-	-
Transfers and subsidies	-	-
Less: Amounts transferred to receivables for recovery	-	-
Fruitless and wasteful expenditure relating to the current year	-	(168)
	-	-
Fruitless and wasteful expenditure awaiting condonement	-	5,698
Analysis of awaiting condonement per economic classification		
Current	-	5,698
Capital	-	-
Transfers and subsidies	-	-
Total	-	5,698

10. Cash and cash equivalents

Consolidated Paymaster General Account	38,354	3,302
Disbursements	10	(4)
Cash on hand	17	45
Total	38,381	3,343

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2010

11. Prepayments and advances

	2009/10 R'000	2008/09 R'000
Travel and subsistence	44	32
Prepayments	1,569	-
Total	1,613	32

12. Receivables

		R'000	2009/10 R'000	R'000	R'000	2008/09 R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	<i>Note 12.1 & Annex 3</i>	34,584	11,273	-	45,857	64,531
Recoverable expenditure	<i>12.2</i>	3	-	-	3	-
Staff debt	<i>12.3</i>	585	1,661	1,118	3,364	4,220
Other debtors	<i>12.4</i>	116	-	-	116	(567)
Total		35,288	12,934	1,118	49,340	68,184

12.1 Claims recoverable

		2009/10 R'000	2008/09 R'000
	<i>Note 12</i>		
National departments		2	322
Provincial departments		45,819	64,165
Public entities		36	8
Private enterprises		-	36
Total		45,857	64,531

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12.2 Recoverable expenditure

	2009/10 R'000	2008/09 R'000
Note 12		
Salary deductions	3	-
Total	3	-

12.3 Staff Debt

	Note 12	
Fleet Management accidents debts	28	26
State Guarantees debt	17	54
Telephone debt	7	6
Ex-employee debt	1,754	2,280
Employee debt	220	638
Losses/Damages debt	436	420
Subsidised Vehicle debt	44	51
Breach of Contract debt	858	745
Total	3,364	4,220

12.4 Other debtors

	Note 12	
Recoverable Revenue	(612)	(567)
Double payment to supplier	728	-
Total	116	(567)

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13. Voted funds to be surrendered to the Revenue Fund

	2009/10	2008/09
	R'000	R'000
Opening balance	99,922	54,824
Transfer from Statement of Financial Performance	10,839	72,351
Add: Unauthorised expenditure for current year	8 -	-
Paid during the year	(94,510)	(27,253)
Closing balance	16,251	99,922

14. Departmental revenue to be surrendered to the Revenue Fund

Opening balance	4,082	33,135
Transfer from Statement of Financial Performance	-	-
Own revenue included in appropriation	7,092	18,088
Paid during the year	(10,810)	(47,141)
Closing balance	364	4,082

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15. Payables – current

		2009/10 R'000	2008/09 R'000
Amounts owing to other entities	Annex 4	71,783	58
Clearing accounts	15.1	219	(5)
Total		72,002	53

15.1 Clearing accounts

	Note 15		
Salaries–Medical Aid		-	(2)
Salaries–Pension Fund		-	(3)
Salaries–Income tax		219	-
Total		219	(5)

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16. Net cash flow available from operating activities

	2009/10 R'000	2008/09 R'000
Net surplusas per Statement of Financial Performance	10,839	72,351
Add back non cash/cash movements not deemed operating activities	90,176	769,952
(Increase)/decrease in receivables current	18,844	(50,362)
(Increase)/decrease in prepayments and advances	(1,581)	9
(Increase)/decrease in other current assets	33,272	338,099
Increase/(decrease) in payables current	71,949	(179,810)
Proceeds from sale of capital assets	(195)	(316)
Expenditure on capital assets	66,115	718,638
Surrenders to Revenue Fund	(105,320)	(74,394)
Own revenue included in appropriation	7,092	18,088
Net cash flow generated by operating activities	101,015	842,303

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

Consolidated Paymaster General account	38,354	3,302
Disbursements	10	(4)
Cash on hand	17	45
Total	38,381	3,343

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

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18. Contingent liabilities and Contingent assets

			2009/10	2008/09
18.1 Contingent liabilities			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 2A	132	407
Claims against the department		Annex 2B	29,596	104,423
Other departments (interdepartmental unconfirmed balances)		Annex 4	29	58
Environmental rehabilitation liability		Annex 2B	539,400	539,400
Total			569,157	644,288

It is noted to the reader of the Annual Financial Statements that the comparative figure for the Environmental rehabilitation liability has been restated from R215,600,000 to R539,400,000 to correspond to the restatement that occurred in regard of the borrow pits. The Environmental rehabilitation liability has been created based on the number of borrow pits and a rehabilitation cost amount of R100,000 per borrow pit. This amount was confirmed by the Department of Environmental Affairs to be the cost per borrow pit for rehabilitation.

18.2 Contingent assets

Nature of contingent asset

Monies in trust at state law advisor for pending property transaction	10,000	-
Total	10,000	-

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19. Commitments

	2009/10 R'000	2008/09 R'000
Current expenditure		
Approved and contracted	63,974	4,668
Approved but not yet contracted	6,151	10,912
	70,125	15,580
Capital expenditure		
Approved and contracted	117,612	219,407
Approved but not yet contracted	171	162
	117,783	219,569
Total Commitments	187,908	235,149

Included in the above is a total of R174 million 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.

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20. Accruals

Listed by economic classification			2009/10 R'000	2008/09 R'000
	30 Days R'000	30+ Days R'000	Total	Total
Goods and services	3,656	4,162	7,818	73,158
Transfers and subsidies	9,336	53,728	63,064	112
Buildings and other fixed structures	6,803	5,053	11,856	51,651
Machinery and equipment	80	-	80	32
Software and other intangible assets	-	-	-	3
Total	19,875	62,943	82,818	124,956
Listed by programme level				
Programme 1: Administration			4,904	2,525
Programme 2: Public Works Administration			73,904	32,930
Programme 3: EPWP			3,385	4,602
Programme 4: Rural Development			625	-
Prior year programme:				
Programme 3: Roads			-	84,899
Total			82,818	124,956

The prior year programme 3: Roads was transferred to the Department of Police, Roads and Transport with an effective date of 1 April 2009. This programme has been included here for complete disclosure of the comparative figures.

	Note		
Confirmed balances with departments	Annex 5	71,754	-
Confirmed balances with other government entities	Annex 5	-	-
Total		71,754	-

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21. Employee benefits

	2009/10 R'000	2008/09 R'000
Leave entitlement	11,918	15,485
Thirteenth cheque	7,528	10,321
Performance awards	2,791	7,113
Capped leave commitments	23,488	44,774
Total	45,725	77,693

22. Lease commitments

22.1 Operating leases expenditure

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	1,288	96,659
Later than 1 year and not later than 5 years	-	193,375	1,399	194,774
Later than five years	-	166,608	6	166,614
Total lease commitments	-	455,354	2,693	458,047

2008/09	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	83,036	2,014	85,050
Later than 1 year and not later than 5 years	-	217,512	1,772	219,284
Later than five years	-	80,279	16	80,295
Total lease commitments	-	380,827	3,802	384,629

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22.2 Finance leases expenditure

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
Total present value of lease liabilities	-	-	445	445

2008/09	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	133	133
Later than 1 year and not later than 5 years	-	-	39	39
Total lease commitments	-	-	172	172
Total present value of lease liabilities	-	-	172	172

23. Receivables for departmental revenue

	2009/10 R'000	2008/09 R'000
Interest, dividends and rent on land	24,038	17,322
Total	24,038	17,322

2.3.1 Analysis of receivables for departmental revenue

Opening balance	17,322
Add: amounts recognised	6,716
Closing balance	24,038

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24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	2009/10 R'000	2008/09 R'000
Opening balance	90,623	4,997
Irregular expenditure – prior year	98,171	-
Irregular expenditure current year	48,453	85,626
Irregular expenditure awaiting condonation	237,247	90,623
Analysis of awaiting condonation per age classification		
Prior years	188,794	4,997
Current year	48,453	85,626
Total	237,247	90,623

The comparative figures have been restated, after consultation with Provincial Treasury. Several matters recognised as irregular in the prior year, have been re-assessed to be matters of non-compliance, rather than irregular.

Prior year irregular expenditure as per Annual Report 09	87,055
Removed from irregular and included in fruitless and wasteful	(251)
Items rather classified as non-compliance	
Journals allocation	(1,171)
Payments based on faxed copies	(7)
Restated prior year irregular expenditure	85,626

The comparative opening balance have also been restated, details as follow:

Prior year irregular expenditure opening balance as per Annual Report 09	6,924
Transferred to Police, Roads and Transport	(244)
Items rather classified as non-compliance	(1,683)
Restated prior year opening balance	4,997

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24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Non-adherence to contractual agreement	Matter to be investigated	1,481
SCM policies not properly followed	Matter to be investigated	44,998
Lease expenditure on reported irregular contracts	Matter to be investigated	813
Difference between order and contract amount	Matter to be investigated	125
Lease expenditure on contracts under investigation in prior year	Matter to be investigated	991
Employee remunerated after contract expired	Matter to be investigated	45
Total		48,453

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25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	2009/10 R'000	2008/09 R'000
Opening Balance	8,455	-
Fruitless and wasteful expenditure—relating to prior year	-	5,410
Fruitless and wasteful expenditure – relating to current year		
Less: Amounts condoned	3,327 (7)	3,213 (168)
Fruitless and wasteful expenditure awaiting condonation	11,775	8,455

Analysis of awaiting condonation per economic classification

Current	11,775	8,455
Total	11,775	8,455

25.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Rentals regarding Warden Building	Matter to be investigated	2,503
Interest on non adherence to contractual agreement	Matter to be investigated	88
Rates & taxes paid on third party properties	Matter to be investigated	736
Total		3,327

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26. Related party transactions

Revenue received/(paid)

Free State Fleet Management: Sales of goods and services other than capital assets

	-	68,631
Total	-	68,631

Free State Fleet Management: Year end balances arising from revenue/payments

Receivables from related parties	-	-
Payables to related parties	-	(22,806)
Total	-	(22,806)

It is noted to the reader of the Annual Financial Statements that the Free State Fleet Management Trading Entity was transferred together with the Roads function to the Department of Police, Roads and Transport with an effective date of 1 April 2009. The Free State Fleet Management is thus no longer a related party of the Department of Public Works and Rural Development as from 1 April 2009.

It is further noted to the reader of the Annual Financial Statements that the comparative figure regarding payables to related parties has been restated from R21,991,000 to R22,806,000 due to an error discovered by Free State Fleet Management and also reflected in their Annual Financial Statements.

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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

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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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

		2009/10 R'000	2008/09 R'000
	<i>No. of Individuals</i>		
Political office bearers (provide detail below)	1 (1)	1,048	1,206
Officials:			
Level 15 to 16	4 (5)	2,930	3,162
Level 14 (incl. CFO if at a lower level)	5 (5)	3,016	2,871
Total		6,994	7,239

It is noted to the reader of the Annual Financial Statements that the comparative figures for Key management personnel has been restated from R7,988,000 to R7,239,000, due to an error in the prior year that led to an overstatement of the key management personnel disclosure.

28. Provisions

Potential irrecoverable debts

Staff debtors	1,118	1,196
Total	1,118	1,196
Provisions		
Doubtful Property receivables	23,285	16,171
Total	23,285	16,171
Total	24,403	17,367

It is noted to the reader of the Annual Financial Statements that the comparative figures for Doubtful Property receivables has been restated from R866,000 to R16,171,000, due to a change in the management estimation regarding the recoverability of this amount.

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29. Non-adjusting events after reporting date

MTEF baseline allocations of the Department were increased from 1 April 2010, which includes centralisation of office leases and municipal services for other provincial departments. The effect of this will be indicated on the 2010/11 Annual Financial Statements.

2009 / 10
R'000

-

-

As from 1 April 2010 all maintenance officials of the Department of Education were transferred to the Department of Public Works and Rural Development, together with their administrative budget. The effect of this will be indicated on the 2010/11 Annual Financial Statements.

Total

-

30. Movable Tangible Capital Assets

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

	Opening balance	Current Year Adjust - ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	28,479		9,625	13,086	25,018
Transport assets	22	-	604	99	527
Computer equipment	9,344	-	5,343	7,690	6,997
Furniture and office equipment	2,961	-	1,838	1,997	2,802
Other machinery and equipment	16,152	-	1,840	3,300	14,692
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	28,479	-	9,625	13,086	25,018

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30.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	2,516	7,109	-	-	9,625
Transport assets	582	22	-	-	604
Computer equipment	714	4,629	-	-	5,343
Furniture and office equipment	82	1,756	-	-	1,838
Other machinery and equipment	1,138	702	-	-	1,840
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,516	7,109	-	-	9,625

30.2 Disposals

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

	Sold for cash	Transfer out or destroyed or scrapped	Transfer of Programme 3: Roads	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	978	12,108	13,086	-
Transport assets	-	77	22	99	-
Computer equipment	-	-	7,690	7,690	-
Furniture and office equipment	-	-	1,997	1,997	-
Other machinery and equipment	-	901	2,399	3,300	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	978	12,108	13,086	-

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30.3 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Current year adjustments to prior year balances	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	23,092	6,717	1,362	32	28,479
Transport assets	22	-	-	-	22
Computer equipment	7,684	2,549	899	10	9,344
Furniture and office equipment	3,030	328	271	(126)	2,961
Other machinery and equipment	12,356	3,840	192	148	16,152
TOTAL MOVABLE AND TANGIBLE ASSETS	23,092	6,717	1,362	32	28,479

30.4 Minor assets

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

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30.4 Minor assets (continued)

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor assets	175	23	15,264	-	15,462
TOTAL	175	23	15,264	-	15,462

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	72	28	27,606	-	27,706
TOTAL	72	28	27,606	-	27,706

31. Intangible Capital Assets

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

	Opening balance R'000	Current Year Adjust ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	993	-	-	-	993
TOTAL INTANGIBLE CAPITAL ASSETS	993	-	-	-	993

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31.1 Movement for 2008/09

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	545	448	-	993
TOTAL	545	448	-	993

32. Immovable Tangible Capital Assets

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

	Opening balance R'000	Curr Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	73,293,448	(7,898,378)	945,666	20,438	66,320,298
Non-residential buildings	35,571,879	(8,084,797)	87,981	56	27,575,007
Other fixed structures	37,721,569	186,419	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 AND TANGIBLE CAPITAL ASSETS	73,293,740	(7,898,378)	945,688	20,450	66,320,600

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32.4 Additions

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

	Cash	Noncash	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	1,317,149	-	(371,483)	-	94 5,666
Non-residential buildings	145,371	-	(57,390)	-	87,981
Other fixed structures	1,171,778	-	(314,093)	-	857,685
HERITAGE ASSETS	-	22	-	-	22
Heritage assets	-	22	-	-	22
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1,317,149	22	(371,483)	-	945,688

32.5 Disposals

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

	Sold for cash R'000	Transferred out or destroyed or scrapped R'000	Total disposals R'000	Cash received actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	56	20,382	20,438	195
Non-residential buildings	56		56	195
Other fixed structures	-	20,382	20,382	
HERITAGE ASSETS	-	12	12	-
Heritage assets	-	12	12	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	56	20,394	20,450	195

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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32.6 Movement for 2008/09

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	72,833,932	459,516	-	73,293,448
Non-residential buildings	35,288,904	282,975	-	35,571,879
Other fixed structures	37,545,028	176,541	-	37,721,569
HERITAGE ASSETS	12	-	-	12
Heritage assets	12	-	-	12
LAND AND SUBSOIL ASSETS		-	-	280
Land	280	-	-	280
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	72,834,224	459,516	-	73,293,740

32.7 Immovable assets valued at R1

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

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

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

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Investment property R'000	Total R'000
R1 Immovable assets	743	-	16	-	759
TOTAL	743	-	16	-	759

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2010

33. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2008/09	
	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
Infrastructure Enhancement Allocation	22,118	-	-	(13,000)	9,118	9,118	8,791	96%	599,588	592,010
Infrastructure Grant to Province	-	-	-	-	-	-	-	-	395,212	393,678
Devolution of Property rate fund	140,144	44,960	-	-	185,104	185,104	185,095	100%	125,066	70,199
	162,262	44,960	-	(13,000)	194,222	194,222	193,886		1,119,866	1,055,887

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2010

34. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Dihlabeng FS 192	5,320	-	-	5,320	5,320		5,320	5,320	100%	6,452
Kopanong FS162	986	-	-	986	986		986	986	100%	700
Letsemeng FS 161	562	-	-	562	562		562	562	100%	802
Mafube FS 205	2,050	-	-	2,050	2,050		2,050	2,050	100%	343
Maluti-a-Phofung FS194	109,482	-	-	109,482	109,482		109,482	109,482	100%	39,676
Mangaung FS172	24,619	-	-	24,619	24,619		24,619	24,619	100%	25,075
Mantsopa FS173	291	-	-	291	291		291	291	100%	1,147
Masilonyana FS181	3,695	-	-	3,695	3,695		3,695	3,695	100%	5,822
Matjhabeng FS184	12,474	-	-	12,474	12,474		12,474	12,474	100%	1,740
Metsimaholo FS204	3,624	-	-	3,624	3,624		3,624	3,624	100%	1,846
Mohokare FS163	1,507	-	-	1,507	1,507		1,507	1,507	100%	916
Moqhaka FS201	5,475	-	-	5,475	5,475		5,475	5,475	100%	4,758
Nala FS185	372	-	-	372	372		372	372	100%	9,495
Naledi FS 171	1,295	-	-	1,295	1,295		1,295	1,295	100%	406
Ngwathe FS 203	4,995	-	-	4,995	5,795		5,795	5,795	100%	5,806
Nketoana FS 193	2,114	-	-	2,114	2,114		2,114	2,114	100%	2,979
Phumelela FS195	215	-	-	215	215		215	215	100%	3,989
Setsoto FS 191	5,305	-	-	5,305	5,305		5,305	5,305	100%	11,838
Tokologo FS182	176	-	-	176	176		176	176	100%	671
Tswelopele FS183	537	-	-	537	537		537	537	100%	605
	185,094	-	-	185,094	185,894		185,894	185,894		125,066

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

ANNEXURE 1A
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE			2008/09
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
HOUSEHOLDS	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
Household – Claims	-	-	-	-	-		531	
Employee Social Benefit	2,993	-	-	2,993	2,813		2,841	
	2,993	-	-	2,993	2,813		3,372	
Total	2,993	-	-	2,993	2,813		3,372	

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1B

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP		2009/10	2008/09
			R'000	R'000
Received in Cash			-	-
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	-

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2009 – LOCAL

Guarantor institution	Guarantee in respect of Housing	Original guaranteed capital amount	Opening balance 1 April 2009	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2010	Guaranteed interest for year ended 31 March 2010	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank of SA		-	25	-	25	-	-	-	-
People Bank Ltd		-	26	-	26	-	-	-	-
Old Mutual Bank Div		-	197	-	142	-	55	-	-
FD Dev Corp		-	159	-	82	-	77	-	-
Total		-	407	-	275	-	132	-	-

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of Liability	Opening Balance 01/04/2009 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled /reduced during the year R'000	Liabilities recoverable R'000	Closing Balance 31/03/2010 R'000
Claims against the department					
Other claims	104,423	14,146	88,973	-	29,596
	104,423	14,146	88,973	-	29,596
Environmental Liability					
Liability to rehabilitate the borrow pits	539,400	-	-	-	539,400
	539,400	-	-	-	539,400
Total	643,823	14,146	88,973	-	568,996

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

ANNEXURE 3

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
National Treasury	1	-	-	-	1	-
National Department of Public Works	-	91	-	231	-	322
Free State Department of Health	-	-	36,033	11,231	36,033	11,231
Free State Department of Sport, Arts, Culture and Recreation	1,386	2,726	5,027	-	6,413	2,726
Free State Department of Police, Roads and Transport	-	-	2,057	23,629	2,057	23,629
Free State Department of Agriculture	-	1,795	-	-	-	1,795
Free State Department of Education	-	--	-	14,299	-	14,299
Free State Department of Cooperative Governance and Traditional Affairs	-	-	725	-	725	-
Free State Department of Economic Development, Tourism and Environmental Affairs	558	-	21	-	579	-
Free State Provincial Treasury	2	707	-	6,116	2	6,823
Northern Cape Provincial Treasury	-	6	-	-	-	6
Northern Cape Department of Transport, Roads and Public Works	-	-	-	8	-	8
North West Premier	-	-	6	5	6	5
North West Department of Public Works, Roads and Transport	-	11	-	-	-	11
Mpumalanga Department of Public Works, Roads and Transport	-	18	-	-	-	18
Subtotal	1,947	5,354	43,869	55,519	45,816	60,873

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total balance outstanding	Total balance outstanding
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Other Government Entities						
Free State Fleet Management	5	-	-	3,614	5	3,614
South African Police Services	-	-	1	-	1	-
South African Revenue Services	-	-	36	36	36	36
Santum Insurance	-	8	-	-	-	8
Subtotal	5	8	37	3,650	42	3,658
Total	1,952	5,362	43,906	59,169	45,858	64,531

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
PRODIBA	-	-	-	11	-	11
Tender Deposits	-	-	29	31	29	31
Other	-	-	-	16	-	16
Free State Fleet Management	-	-	-	4,404	-	4,404
Provincial Treasury	71,754	-	-	-	71,754	-
Total	71,754	-	29	4,462	71,783	4,462

It is noted to the reader of the Annual Financial Statements that the comparative figure regarding Free State Fleet Management has been restated from R0 to R4,404,000 due to an error discovered by Free State Fleet Management and also reflected in their Annual Financial Statements.

ANNEXURE 5

INVENTORY

	Quantity	2009/10 R'000
Inventory		
Opening balance	12,777	69
Add/(Less): Adjustments to prior year balance	-	-
Add: Additions/Purchases- Cash	87,380	9,833
Add: Additions- Non-cash	-	-
(Less): Disposals	-	-
(Less): Issues	(88,154)	(9,724)
Add/(Less): Adjustments	(185)	(2)
Closing balance	11,818	176

PART E

HUMAN RESOURCE REPORT

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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HUMAN RESOURCE MANAGEMENT
for the year ended 31 March 2010

1. Employment and Vacancies

1.1 Employment and vacancies by programme as at 31 March 2010

Budget Programmes	Number of Posts	Number of Posts filled	Vacancy Rate
Programme 1: Administration	408	178	56%
Programme 2: Public Works	2,886	1,835	36%
Programme 3: Expanded Public Works Programme	76	37	51%
Programme 4: Rural Development	1	0	100%
Total	3,371	2,050	39%

1.2 Employment and vacancies by salary bands

Salary Bands	Number of Posts	Number of Posts filled	Vacancy Rate
Lower skilled (Levels 1-2)	1,587	815	48.6
Skilled (Levels 3-5)	950	790	16.8
Highly skilled production (Levels 6-8)	563	274	51.3
Highly skilled supervision (Levels 9-12)	158	63	60.1
Senior management (Levels 13-16)	23	18	21.7
Contract (Levels 1-2)	56	56	0
Contract (Levels 3-5)	28	28	0
Contract (Levels 6-8)	1	1	0
Contract (Levels 9-12)	3	3	0
Contract (Levels 13-16)	2	2	0
Total	3,371	2,050	39.2

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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HUMAN RESOURCE MANAGEMENT
for the year ended 31 March 2010

1.3 Employment and vacancies by critical occupation

Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate
Administrative related	119	49	58.8
All artisans in the building metal machinery etc	164	113	31.1
Architects town and traffic planners	8	1	87.5
Artisan project and related superintendents	10	4	60
Auxiliary and related workers	1	0	100
Building and related workers	1	1	0
Building and other property caretakers	304	72	76.3
Bus and heavy vehicle drivers	5	4	20
Cleaners in offices workshops, and prestige houses etc	506	363	28.3
Communication and information related	4	2	50
Computer programmers.	3	1	66.7
Electrical and electronics engineering technicians	27	13	51.9
Engineering sciences related	14	4	71.4
Engineers and related professionals	18	3	83.3
Finance and economics related	4	2	50
Financial and related professionals	25	4	84
Quantity surveyors & related professions	14	2	85.7
Risk management and security services	9	5	44.4
Trade labourers	497	377	24.1
Water plant and related operators	3	1	66.7
Total	1,737	1,021	41.22

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HUMAN RESOURCE MANAGEMENT
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2. Job Evaluation

2.1. Jobs that were evaluated during the 2009/2010 are summarised in the table below:

Salary Bands	Number of posts	Number of Jobs valuated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	1587	0	0%	0	0%	0	0%
Contract (Levels 1-2)	56	0	0%	0	0%	0	0%
Contract (Levels 3-5)	28	0	0%	0	0%	0	0%
Contract (Levels 6-8)	1	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%
Contract (Band D)	1	0	0%	0	0%	0	0%
Skilled (Levels 3-5)	950	0	0%	0	0%	0	0%
Highly skilled production (Levels 6-8)	563	0	0%	0	0%	0	0%
Highly skilled supervision (Levels 9-12)	158	1	1.3%	0	0%	0	0%
Senior Management Service Band A	16	0	0%	0	0%	0	0%
Senior Management Service Band B	4	0	0%	0	0%	0	0%
Senior Management Service Band C	2	0	0%	0	0%	0	0%
Senior Management Service Band D	1	1	0%	0	0%	0	0%
TOTAL	3 371	2	0.22%	0	0%	0	0%

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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for the year ended 31 March 2010

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
Chief Financial Officer	1	14	15	Regulation V.C 3 – scarce skill
Total	1	0	1	
Percentage of total employment	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	1	1
Total	0	0	0	1	1

Total number of employees whose salaries exceeded the grades determined by job evaluation in 2009/2010	1
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DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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HUMAN RESOURCE MANAGEMENT
for the year ended 31 March 2010

3. Employment Changes

This section provides information on changes in employment over the 2009/2010 financial year.

3.1 Terminations for the period

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1							2
Senior Management	0	0	0	0	1	0	0	1	2
Professionally qualified and experienced specialists and middle management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	2	3	1	0	3	16
Semi-skilled and discretionary decision making	5	0	0	3	1	0	0	1	10
Unskilled and defined decision making	53	0	0		73	0	0	0	126
Contract appointments	94	2	0	6	89	7	0	2	200
Total	160	3	0	11	167	8	0	7	356
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.2 Annual turnover rates by salary band

Salary Bands	Number of employees per band as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1 -2)	1 013	18	153	15.1
Skilled (Levels 3 -5)	750	3	55	7.3
Highly skilled production (Levels 6-8)	332	4	17	5.1
Highly skilled supervision (Levels 9- 12)	63	6	3	4.8
Senior Management Service Band A	13	1	2	15.4
Senior Management Service Band B	4	0	0	0
Senior Management Service Band C	1	1	0	0
Senior Management Service Band D	2	2	0	0
Other, permanent	42	0	0	0
Contract (levels 1 -2)	22	109	66	300
Contract (levels 3- 5)	26	40	50	192.3
Contract (levels 6 -8)	3	4	4	133.3
Contract (levels 9 -16)	3	7	5	166.7
Total	2 274	195	355*	15.6

*The number excludes 951 Line function staff that was transferred to the Department of Police, Roads and Transport on 31 March 2009. They did not form part of the Department effective from 1 April 2009

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
VOTE 9HUMAN RESOURCE MANAGEMENT
for the year ended 31 March 2010

3.3. Annual turnover rates by critical occupation

Occupation	Employment at Beginning of Period (April 2009)	Appointments	Terminations	Turnover Rate
Artisans in the building metal machinery etc.	110	22	53	48.2
Artisan project and related superintendents	6	0	0	0
Communication and information related	1	2	0	0
Computer programmers	2	0	0	0
Electrical and electronics engineering technicians	10	10	5	50
Architects	2	1	0	0
Engineering sciences related	4	0	1	25
Engineers and related professionals	3	0	0	0
Inspectors of apprentices works and vehicles	39	0	0	0
Quantity surveyors & related professionals	3	0	0	0
Other	2,94	160	296	14.1
Total	2,274	195	355	15.6

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

Termination Type	Number	Percentage of Total Terminations	Percentage of Total Employment	Total Employment [01 April 2009]
Death	55	11.4%	2.4%	2274
Resignation	15	3.2%	0.7%	2274
Expiry of contract	198	41.1%	8.7%	2274
Discharged due to ill - health	5	1.1%	0.2%	2274
Dismissal - misconduct	3	0.6%	0.1%	2274
Retirement	79	16.4%	3.5%	2274
Transfer to other Public Service Departments	126*	26.2%	5.4%	2274
Total	481*	100 %	21.1%	2274

* Support staff transferred to the Department of Police, Roads and Transport. Line function staff excluded

Resignations as % of Employment	0.7%
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HUMAN RESOURCE MANAGEMENT
for the year ended 31 March 2010

4. Promotions

4.1 Promotions for the period

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	3	0	0	1	1	0	0	0	5
Skilled technical and academically qualified workers, junior management, supervisors foremen	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract (Top Management)	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Skilled technical)	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0
Contract (Unskilled)	0	0	0	0	0	0	0	0	0
TOTAL	6	0	0	2	2	0	0	0	10

Employees with disabilities	10	0	0	3	0	0	3	16
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4.2 Promotions by critical occupations

Occupation	Employment Beginning of Period (April 2009)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
All artisans in the building metal machinery etc.	110	0	0%	75	68.2%
Artisan project and related superintendents	6	1	16.7%	4	66.7%
Electrical and electronics engineering technicians	10	0	0%	3	30%
Engineering sciences related	5	1	20%	2	50%
Engineers and related professionals	4	0	0%	3	100%
Inspectors of apprentices works and vehicles	39	0	0%	8	20.5%
Other information technology personnel.	11	0	0%	0	0%
Quantity surveyors & related professionals	3	0	0%	2	66.7%
Regulatory inspectors	1	0	0%	0	0%
Total	189	2	1.05%	97	51.3%

DEPARTMENT OF PUBLIC WORKS AND RURAL DEVELOPMENT
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4.3 Promotions by salary bands

Salary Bands	Employees 1 April 2009	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	1013	0	0%	0	0
Skilled (Levels 3-5)	750	0	0%	1015	135.3%
Highly skilled production (Levels 6-8) Permanent	332	0	0%	173	52.1%
Highly skilled supervision (Levels 9-12)	63	7	11.1%	33	52.4%
Senior management (Levels 13-16)	20	1	5%	0	0%
Other	42	0	0%	0	0%
Contract (Levels 1-2)	22	0	0%	0	0%
Contract (Levels 3-5)	26	0	0%	0	0%
Contract (Levels 6-8)	3	0	0%	0	0%
Contract (Levels 9-12)	3	0	0%	4	133.3%
Contract (Levels 13-16)	0	2	0%	0	0
Total	2,274	10	0.4%	1,225	53.9%

5. Employment Equity

5.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at March 2010

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	10	0	0	4	5	0	0	0	19
Professionals	14	0	0	8	13	0	0	4	39
Technical and associate professionals	35	0	0	10	33	3	0	9	90
Clerks	30	2	0	6	74	3	0	30	145
Service and sales workers	351	21	0	8	211	5	0	4	600
Craft and related trades workers	121	1	0	20	18	0	0	0	160
Plant and machine operators and assemblers	23	0	0	0	2	0	0	0	25
Elementary occupations	444	3	0	2	483	6	0	1	393
Other	16	0	0	10	1	1	0	5	33
Total	1,044	27	0	68	840	18	0	53	2,050
Employees with disabilities	10	0	0	0	3	0	0	3	16

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HUMAN RESOURCE MANAGEMENT
for the year ended 31 March 2010

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

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	1	1	0	0	0	3
Senior Management	8	0	0	3	4	0	0	0	15
Professionally qualified and experienced specialists and middle management	24	0	0	13	22	2	0	2	63
Skilled technical and academically qualified workers junior management supervisors foremen	139	8	0	36	51	1	0	39	274
Semi-skilled and discretionary decision making	495	17	0	4	262	8	0	4	790
Unskilled and defined decision making	339	2	0	10	453	6	0	5	815
Contract (Top Management)	0	0	0	0	1	0	0	0	1
Contract (Senior Management)	1	0	0	0	0	0	0	0	1
Contract (Professionally qualified)	0	0	0	1	0	0	0	2	3
Contract (Skilled technical)	0	0	0	0	1	0	0	0	1
Contract (Semi-skilled)	20	0	0	0	7	0	0	1	28
Contract (Unskilled)	17	0	0	0	38	1	0	0	56
Total	1,044	27	0	68	840	18	0	53	2050

5.3 Recruitment for the period

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	2	0	0	0	3
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	1	2	0	0	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	0	0	0	2	0	0	0	4
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	3
Unskilled and defined decision making	9	0	0	0	9	0	0	0	18
Contract (Top Management)	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified)	1	0	0	5	0	0	0	0	6
Contract (Skilled technical)	1	0	0	1	2	0	0	0	4
Contract (Semi-skilled)	22	0	0	1	13	0	0	4	40
Contract (Unskilled)	47	1	0	0	57	4	0	0	109
Total	86	1	0	9	90	4	0	5	195

Employees with disabilities	0	0	0	0	0	0	0	0	0
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6. Disciplinary Action

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

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	12	0	0	1	2	0	0	0	15

7. Performance Rewards

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	185	837	21.7%	879	4,828
African, Male	174	1 034	16.8%	1,148	6,597
Coloured, Female	8	18	44.4%	44	5,490
Coloured, Male	13	27	48.1%	61	4,696
White, Female	42	50	84%	349	8,318
White, Male	41	68	60.3%	430	10,479
Employees with a disability	5	16	31.3%	25	5,088
Total	465	2,050	22.7%	2,936	6,314

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)	121	786	15.4%	351,000	2,901
Skilled (Levels 3-5)	139	803	17.3%	522,000	3,755
Highly skilled production (Levels 6-8)	172	289	59.5%	1,367,000	7,948
Highly skilled supervision (Levels 9-12)	30	64	46.9%	632,000	21,067
Contract (Levels 1-2)	0	56	0%	0	0
Contract (Levels 3-5)	0	28	0%	0	0
Contract (Levels 6-8)	0	1	0%	0	0
Contract (Levels 9-12)	3	3	100	64,000	21,333
Periodical Remuneration	0	2	0%	0	0
Total	465	2,032	22.9%	2,936	6,314

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7.3 Service Performance Rewards by Critical Occupations

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R)	Average Cost per Beneficiary (R)
All artisans in the building metal machinery etc.	34	113	30.1%	248,000	7,294
Artisan project and related superintendents	0	1	0%	0	0
Auxiliary and related workers	4	6	66.7%	56,000	14,000
Building and related workers	3	4	75%	8,000	2,667
Building and other property caretakers	6	69	8.7%	16,000	2,667
Computer programmers.	0	1	0%	0	0
Electrical and electronics engineering technicians	2	13	15.4%	20,000	10,000
Engineering sciences related	1	4	25%	23,000	23,000
Engineers and related professionals	2	3	66.7%	34,000	17,000
Finance and economics related	3	4	75%	99,000	33,000
Financial and related professionals	3	4	75%	16,000	5,333
Quantity surveyors related professionals	1	2	50%	13,000	13,000
Risk Management and security	5	5	100%	80,000	16,000
Road trade workers	0	1	0%	0	0
Road Workers	3	108	2.8%	10,000	3,333
Water Plant and related operation	0	2	0%	0	0
Total	67	340	19.7%	623,00	9298,5

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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	12	0%	0	0	0%	0
Band B	0	4	0%	0	0	0%	0
Band C	0	2	0%	0	0	0%	0
Band D	0	2	0%	0	0	0%	0
Total	0	20	0%	0	0	0%	0

8. Foreign Workers

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

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

Salary Band	1 April 2009		28 February 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0%	0	0%	0	0
Skilled (Levels 3-5)	0	0%	0	0%	0	0
Highly skilled production (Levels 6-8)	0	0%	0	0%	0	0
Highly skilled supervision (Levels 9-12)	3	100%	3	100%	0	0
Senior management (Levels 13-16)	0	0%	0	0%	0	0
Total	3	100%	3	100%	0	0

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

Major Occupation	1 April 2009		28 February 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Engineering Professionals	3	100%	3	100%	0	0%
Total	3	100%	3	100%	0	0%

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9. Leave Utilisation

9.1 Leave Utilisation for the period 1 January 2009 to 31 December 2009

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.

Sick leave, 1 January 2009 to 31 December 2009

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	2,677	95%	441	30%	6	532
Skilled (Levels 3-5)	4 012	91.2%	685	46.5%	6	956
Highly skilled production (Levels 6-8)	1,496	85.1%	256	17.4%	6	725
Highly skilled supervision (Levels 9-12)	280	83.6%	50	3.4%	6	262
Senior management (Levels 13-16)	14	85.7%	4	0.3%	4	33
Total	8,479	91%	1,436	100%	6	2,508

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

Salary Band	Total days taken	% days with medical certification	Number of Employees	% of total employees	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	241	100%	6	20.7%	40	49
Skilled (Levels 3-5)	405	100%	9	31%	45	90
Highly skilled production (Levels 6-8)	658	100%	14	48.3%	47	327
Highly skilled supervision (Levels 9-12)	0	100%	0	0%	0	0
Senior management (Levels 13-16)	0	100%	0	0%	0	0
Total	1,304	100%	29	100%	45	466

Annual Leave, 1 January 2009 to 31 December 2009

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	21 350	21
Skilled Levels 3-5)	27,583	16
Highly skilled production (Levels 6-8)	9,411	16
Highly skilled supervision (Levels 9-12)	1,760	17
Senior management (Levels 13-16)	411	19
Contract (Levels 1-2)	252	8
Contract (Levels 3-5)	290	11
Contract Highly skilled production (Levels 6-8)	3	3
Contract Highly skilled supervision (Levels 9-12)	91	23

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Capped leave, 1 January 2009 to 31 December 2009

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008
Lower skilled (Levels 1-2)	191	9	45
Skilled Levels 3-5)	187	7	64
Highly skilled production (Levels 6-8)	87	5	50
Highly skilled supervision (Levels 9-12)	22	6	62
Senior management (Levels 13-16)	5	2	62
Total	492	7	53

Leave payouts for the period 1 April 2009 to 28 February 2010

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

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2009/10	323	93	3,473
Current leave payout on termination of service for 2009/10	2	9	222
Total	325	102	3,186

10. Labour Relations

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

Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010

Outcomes of disciplinary hearings	Number	% of total
Correctional counseling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	3	33.33%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	5	55.55%
Not guilty	1	11.12%
Case withdrawn	0	0%
Total	9	100%

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Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Fraud/Corruption	4	44.44%
Theft	3	33.33%
Assault	0	0%
Negligence	0	0%
Insubordination	0	0%
Absenteeism	2	22.23%
Improper Behavior	0	0%
Total	9	100%

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

Description	Number	% of Total
Number of grievances resolved	15	100%
Number of grievances not resolved	-	0%
Total number of grievances lodged	15	100%

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

Description	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes withdrawn	0	0%
Number of disputes dismissed	0	0%
Total number of disputes lodged	1	100%

Precautionary suspensions for the period 1 April 2009 to 31 March 2010

Number of people suspended	
Number of people whose suspension exceeded 30 days	8
Average number of days suspended	183
Cost (R'000) of suspensions	1, 964, 973.00

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11. Skills Development

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

Training provided 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Training provided within the reporting period		
		Learnerships	Skills Programmes & other short courses	Total
Legislators, Senior Officials & Managers	Male	0	King III	14
	Female	0	King III; Gender mainstreaming	7
Professionals	Male	0	0	0
	Female	0	0	0
Technicians & Associate Professionals	Male	0	Electrical Wiring	3
	Female	0	0	0
Clerks	Male	0	Mass Induction Programme	18
	Female	0	Mass Induction Programme	8
Service & Sales Workers	Male	0	Mass Induction Programme	3
	Female	0	Mass Induction Programme	3
Craft & Related Trades	Male	0	0	0
	Female	0	0	0
Plant and Machine Operators & Assemblers	Male	0	0	0
	Female	0	0	0
Elementary Occupations	Male	0	0	0
	Female	0	0	0
Total		0	0	56

12. Injury on Duty

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	33.33%
Temporary Total Disablement	6	50%
Permanent Disablement	1	8.33%
Fatal	1	8.33%
Total	12	100%

12. Employee Wellness: HIV/AIDS and Health Promotion Programmes

Details of Health Promotion and HIV and AIDS Programmes

Questions	Yes	Provide detailed progress with
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 Mr.Stan Diakos: Director Human Resource Management	Whilst the function has been devolved to Special Programmes Unit in the Department, 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	There is a Unit: Special Programmes Unit in the Department responsible for the following functions: <ul style="list-style-type: none"> • Special programmes • Employee Health and Wellness • Employee Assistance Programme
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 a variety of personal problems which may affect their continued functioning as productive members of the Department.
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	We have established peer educator committees constituted by mainly people in the different sections of the Department, demarcated according to main towns where the Department has offices.
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/aids. The Department's HIV/AIDS policy deals directly with such incidences.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	There are periodic sessions held with the workers and the Department of health to encourage Voluntary Counseling Testing (VCT). The confidentiality of the results is normally safe
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators	Yes	<ul style="list-style-type: none"> • Level of HIV and AIDS quality and correct Knowledge, Attitudes and Practises • Number of condoms distributed (female and male) • Number of promotional materials distributed • Number of employees volunteering to be peer educators • Number of peer educators active • Number of people coming for counselling • Number of HIV and AIDS disclosure • Reduction in HIV and AIDS related illnesses • Number of people on incapacity leave on care and support assistant (Community Home Based Care) • Number of labour relation cases due to HIV and AIDS discrimination, victimization and stigmatization

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KEY SERVICE TO BE IMPROVED	SERVICE BENEFICIARIES	CURRENT STANDARDS	DESIRED STANDARDS	PROGRESS REMARKS
Ensure a safe and secure environment for Government Officials and the General public.	<ul style="list-style-type: none"> Officials Public 	<u>Service Quantity Standard</u> <ul style="list-style-type: none"> 28 Service points are currently manned by Physical Security. 	<ul style="list-style-type: none"> Services will be initially improved in three buildings (Lebohang, Medfontein and Provincial Government buildings). 	<ul style="list-style-type: none"> Manual security booms have been activated. Compulsory stop and search at access points are conducted on all vehicles entering and leaving the premises as a result there has been a decrease in incidents of theft. Parking stickers are checked at the access points at all Government buildings daily.
		<u>Service Quality Standard:</u> <ul style="list-style-type: none"> Training is not based on critical priorities as per strategic imperatives. 	<ul style="list-style-type: none"> Conduct regular inspection parades per shift. 	<ul style="list-style-type: none"> Inspection parades are continuously being conducted for all the shifts on assumption duty to check readiness (neatness, uniform dress code, soberness) and staff levels for deployment of the shift to service points
		<ul style="list-style-type: none"> About 40% of security personnel have little experience. 	<ul style="list-style-type: none"> Provide in-service coaching, mentoring and Basic Security Training to address competencies 	<ul style="list-style-type: none"> All the officers at all district levels have been trained in the Occupational Health and Safety with specific reference to Evacuations and inspections. Security officers are paired/ assigned with an experienced officer during patrols and floor inspections to identify security threats in and around the buildings.
		<ul style="list-style-type: none"> Lack of visibility of Security at access points 	<ul style="list-style-type: none"> Strengthen access control. Ensure complete information on registers 	<ul style="list-style-type: none"> Spot checks by supervisors are done on all visitors, officials, equipment and vehicle registers.
			<ul style="list-style-type: none"> Deploy security at Medfontein car access 	<ul style="list-style-type: none"> Dedicated security officer are assigned to guard vehicle entrances

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KEY SERVICE TO BE IMPROVED	SERVICE BENEFICIARIES	CURRENT STANDARDS	DESIRED STANDARDS	PROGRESS REMARKS
Ensure a safe and secure environment for Government Officials and the General public.	<ul style="list-style-type: none"> Officials Public 	Consultation:		
		<ul style="list-style-type: none"> No standard 	<ul style="list-style-type: none"> Security awareness campaigns. 	<ul style="list-style-type: none"> Three Security evacuation drills have been conducted to create security awareness in cases of fire , bomb threats and emergencies Safety committees have been established with all representatives from various departments. Floor managers in all buildings have been nominated to manage the security related matters. One on one engagement on security issues are being undertaken with various departments.
		Access		
		<ul style="list-style-type: none"> No service standards displayed at access points. Access to public not allowed during lunch time 	<ul style="list-style-type: none"> Directory of all officials be available at services points for each department. Display standard re access will be provided within 3 minutes to all citizens visiting buildings. 	<ul style="list-style-type: none"> Access is granted to all visitors during office hours. Access requirements display at service points
		Courtesy:		
		<ul style="list-style-type: none"> Lack of customer relations 	<ul style="list-style-type: none"> Training on Batho Pele Change Management Engagement Programme and Customer care. Introduce suggestion boxes at Lebohang, Medfontein and Provincial Government buildings. 	<ul style="list-style-type: none"> Training unit conducted training in Batho Pele and Change Management programme. Suggestion Boxes have been introduced at all service points in the three buildings.

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KEY SERVICE TO BE IMPROVED	SERVICE BENEFICIARIES	CURRENT STANDARDS	DESIRED STANDARDS	PROGRESS REMARKS
Ensure a safe and secure environment for Government Officials and the General public.	<ul style="list-style-type: none">• Officials• Public	Openness and Transparency		
		<ul style="list-style-type: none">• No records of meetings are filed or kept.	<ul style="list-style-type: none">• Regular staff meetings• Information sessions on security related issues.• Strengthen security awareness campaigns	<ul style="list-style-type: none">• Staff meetings are held monthly for the Directorate and also per Sub Directorates, and minutes are kept.• Security Screening and Vetting of all individuals is being conducted to evoke the level of security consciousness.• Information sessions on security related matters are constantly taking place and this initiative has improved on security compliance.
		Information:		
		<ul style="list-style-type: none">• Lack of knowledge of services housed in various buildings	<ul style="list-style-type: none">• Security Officers knowledgeable about who is housed in which floor.	<ul style="list-style-type: none">• A register is being developed for all the personnel in the three buildings• Security officers informed of who is occupying different floors to direct visitors accordingly.
		Redress:		
		<ul style="list-style-type: none">• No redress strategy.	<ul style="list-style-type: none">• Introduce suggestion boxes at service points• Display security service charter (contact person of person in charge) and complaints procedure.	<ul style="list-style-type: none">• Suggestion boxes were in place at service points and later removed to be replaced with wooden boxes to avoid tempering with them.• The service charter is due to be displayed in 2010/2011 financial year.
		Value for Money:		
<ul style="list-style-type: none">• Decline in incidents of thefts <p>HR Vacancy rate is high at 30%.</p> <ul style="list-style-type: none">• Vacant posts for Director	<ul style="list-style-type: none">• Zero tolerance to theft• Improve searches at access points. <ul style="list-style-type: none">• Filling of the post of Director.• Critical funded posts will be advertised	<ul style="list-style-type: none">• The cases of theft have reduced significantly from above 100 mark per year to about 30 cases per year in 2009/2010 financial year. <ul style="list-style-type: none">• The post of Director has already been filled• 14 critical posts filled by contract workers.		

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