

APPROPRIATION STATEMENT for the year ended 31 March 2006

	Appropriation per Programme								
	2005/06							2004/05	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of total Appropriation R'000	Final Appropriation R'000	Actual Expenditure R'000
1. Administration									
Current payment	44,203	502	4,386	49,091	49,081	10	100.0	37,167	34,471
Transfers and subsidies	790	(502)	(65)	223	112	111	50.2	479	470
Payment for capital assets	1,912	-	60	1,972	1,945	27	98.6	2,947	2,310
2. Housing									
Current payment	57,554	-	(8,807)	48,747	48,716	31	99.9	52,031	37,255
Transfers and subsidies	613,469	-	3,675	617,144	605,569	11,575	98.1	640,020	542,757
Payment for capital assets	150	-	(60)	90	35	55	38.9	703	695
3. Local government									
Current payment	21,151	-	(1,823)	19,328	19,086	242	98.7	26,645	21,865
Transfers and subsidies	47,340	-	3,500	50,840	44,126	6,714	86.8	28,807	18,234
Payment for capital assets	5,500	-	-	5,500	5,046	454	91.7	5,030	6
4. Development and Planning									
Current payment	17,614	-	(1,131)	16,483	15,550	933	94.3	8,034	7,794
Transfers and subsidies	95	-	200	295	245	50	83.1	10	7
Payment for capital assets	2,030	-	-	2,030	591	1,439	29.1	30	8
5. Special functions									
Current payment	-	-	65	65	65	-	100	-	-
TOTAL	811,808	-	-	811,808	790,167	21,641	97.3	801,903	665,872
Reconciliation with statement of Financial Statement									
Departmental receipts				25,635	-			13,994	-
Actual amounts per Statement of Financial Performance (Total revenue)				837,443	-			815,897	-
Actual amounts per Statement of Financial Performance Expenditure					790,167				665,872

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APPROPRIATION STATEMENT for the year ended 31 March 2006

APPROPRIATION STATEMENT for the year ended 31 March 2006

Appropriation per Economic Classification									
	2005/06							2004/05	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of total Appropriation R'000	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation for employees	82,617	502	(6,510)	76,609	75,489	1,120	98.5	71,125	63,147
Goods and Services	57,905	-	(865)	57,040	56,944	96	99.8	52,740	38,238
Financial transactions in assets and liabilities	-	-	65	65	65	-	100.0	12	-
Transfers and Subsidies									
Provinces and municipalities	64,057	(15)	(50)	63,992	56,765	7,227	88.7	43,792	32,968
Departmental agencies and accounts	-	-	975	975	975	-	100.0	-	-
Non-profit institutions	400	50	-	450	450	-	100.0	200	200
Households	597,237	(537)	6,385	603,085	591,862	11,223	98.1	625,324	528,300
Payments and capital assets									
Machinery and equipment	9,592	-	(60)	9,532	7,558	1,974	79.3	8,034	2,414
Software and other intangible assets	-	-	60	60	59	1	98.3	212	141
Land and subsoil assets	-	-	-	-	-	-	-	464	464
TOTAL	811,808	-	-	811,808	790,167	21,641	97.3	801,903	665,872

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APPROPRIATION STATEMENT
for the year ended 31 March 2006

DETAIL PER PROGRAMME 1: ADMINISTRATION for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Office of the MEC									
Current payment	4,639	-	(350)	4,289	4,279	10	99.8	4,805	4,759
Transfers and subsidies	6	-	-	6	5	1	83.3	10	8
Payment for capital assets	400	-	(366)	34	27	7	79.4	430	407
1.2 Corporate Services									
Current payment	39,564	502	4,736	44,802	44,802	-	100.0	32,362	29,712
Transfers and subsidies	784	(502)	(65)	217	107	110	49.3	469	462
Payment for capital assets	1,512	-	426	1,938	1,918	20	99.0	2,517	1,903
TOTAL	46,905	-	4,381	51,286	51,138	148	99.7	40,593	37,251

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DETAIL PER PROGRAMME 1:
ADMINISTRATION
for the year ended 31 March 2006

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Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments									
Compensation for employees	24,850	502	255	25,607	25,597	10	100.0	24,024	21,878
Goods and Services	19,353	-	4,131	23,484	23,484	-	100.0	12,993	12,593
Transfers and Subsidies									
Provinces and municipalities	90	-	-	90	62	28	68.9	63	54
Non-profit institutions	-	50	-	50	50	-	100.0	-	-
Households	700	(552)	(65)	83	-	83	-	566	416
Payments and capital assets									
Machinery and equipment	1,912	-	-	1,912	1,886	26	98.6	2,737	2,171
Software and other intangible assets	-	-	60	60	59	1	98.3	210	139
TOTAL	46,905	-	4,381	51,286	51,138	148	99.7	40,593	37,251

DETAIL PER PROGRAMME 2: HOUSING for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Housing planning and research									
Current payment	6,735	-	(1,066)	5,669	5,660	9	99.8	15,216	13,487
Transfers and subsidies	530	-	-	530	504	26	95.1	4,193	4,193
Payment for capital assets	-	-	48	48	20	28	41.7	87	79
2.2 Housing performance subsidy programmes									
Current payment	26,355	-	(3,065)	23,290	23,277	13	99.9	8,604	8,604
Transfers and subsidies	563,194	-	(2,459)	560,735	560,709	26	100.0	582,251	510,159
Payment for capital assets	-	-	-	-	-	-	-	67	67
2.3 Urban renewal and human settlement redevelopment									
Current payment	3,929	-	(673)	3,256	3,248	8	99.8	1,770	965
Transfers and subsidies	30,015	-	-	30,015	18,836	11,179	62.8	38,025	17,455
2.4 Housing asset management									
Current payment	20,535	-	(4,003)	16,532	16,531	1	100.0	26,441	14,199
Transfers and subsidies	19,730	-	6,134	25,864	25,520	344	98.7	15,551	10,950
Payment for capital assets	150	-	(108)	42	15	27	35.7	549	549
TOTAL	671,173	-	(5,192)	665,981	654,320	11,661	98.2	692,754	580,707

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DETAIL PER PROGRAMME 2:
HOUSING
for the year ended 31 March 2006

DETAIL PER PROGRAMME 2: HOUSING for the year ended 31 March 2006

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments									
Compensation for employees	33,937	-	(3,320)	30,617	30,601	16	99.9	32,416	29,241
Goods and Services	23,617	-	(5,487)	18,130	18,115	15	99.9	19,753	8,014
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	12	-
Transfers and Subsidies									
Provinces and municipalities	16,932	-	(3,750)	13,182	12,746	436	96.7	15,112	14,873
Departmental agencies and accounts	-	-	975	975	975	-	100.0	-	-
Households	596,537	-	6,450	602,987	591,848	11,139	98.2	624,758	527,884
Payments and capital assets									
Machinery and equipment	150	-	(60)	90	35	55	38.9	237	229
Software and other intangible assets	-	-	-	-	-	-	-	2	2
Land and subsoil assets	-	-	-	-	-	-	-	464	464
TOTAL	671,173	-	(5,192)	665,981	654,320	11,661	98.2	692,754	580,707

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DETAIL PER PROGRAMME 2:
HOUSING
for the year ended 31 March 2006

DETAIL PER PROGRAMME 3: LOCAL GOVERNMENT for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Municipal administration									
Current payment	5,126	-	(1,542)	3,584	3,579	5	99.9	5,914	3,840
Transfers and subsidies	20	-	-	20	6	14	30.0	8	7
Payment for capital assets	20	-	-	20	-	20	-	50	-
3.2 Municipal monitoring and support									
Current payment	5,006	-	(1,716)	3,290	3,263	27	99.2	5,308	4,208
Transfers and subsidies	18,083	-	-	18,083	18,058	25	99.9	25,584	15,020
Payment for capital assets	30	-	-	30	-	30	-	30	6
3.3 Municipal infrastructure									
Current payment	7,472	-	759	8,231	8,040	191	97.7	12,205	11,543
Transfers and subsidies	1,517	-	-	1,517	1,447	70	95.4	1,506	1,503
3.4 Disaster management									
Current payment	3,547	-	676	4,223	4,204	19	99.6	3,218	2,274
Transfers and subsidies	27,720	-	3,500	31,220	24,615	6,605	78.8	1,709	1,704
Payment for capital assets	5,450	-	-	5,450	5,046	404	92.6	4,950	-
TOTAL	73,991	-	1,677	75,668	68,258	7,410	90.2	60,482	40,105

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DETAIL PER PROGRAMME 3:
LOCAL GOVERNMENT
for the year ended 31 March 2006

DETAIL PER PROGRAMME 3: LOCAL GOVERNMENT for the year ended 31 March 2006

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments									
Compensation for employees	11,430	-	(596)	10,834	10,661	173	98.4	11,694	9,233
Goods and Services	9,721	-	(1,227)	8,494	8,425	69	99.2	14,951	12,632
Transfers and Subsidies									
Provinces and municipalities	46,940	-	3,500	50,440	43,726	6,714	86.7	28,607	18,034
Non-profit institutions	400	-	-	400	400	-	100.0	200	200
Payments and capital assets									
Machinery and equipment	5,500	-	-	5,500	5,046	454	91.7	5,030	6
TOTAL	73,991	-	1,677	75,668	68,258	7,410	90.2	60,482	40,105

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DETAIL PER PROGRAMME 3:
LOCAL GOVERNMENT
for the year ended 31 March 2006

DETAIL PER PROGRAMME 4: DEVELOPMENT AND PLANNING for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total 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 Integrated development and planning (IDP)									
Current payment	8,434	-	(1,713)	6,721	6,530	191	97.2	8,034	7,794
Transfers and subsidies	55	-	196	251	223	28	88.8	10	7
Payment for capital assets	30	-	76	106	105	1	99.1	30	8
4.2 Community development worker programme (CDW)									
Current payment	7,980	-	883	8,863	8,123	740	91.7	-	-
Transfers and subsidies	20	-	4	24	20	4	83.3	-	-
Payment for capital assets	2,000	-	(123)	1,877	460	1,417	24.5	-	-
4.3 Project consolidate									
Current payment	1,200	-	(301)	899	897	2	99.8	-	-
Transfers and subsidies	20	-	-	20	2	18	10.0	-	-
Payment for capital assets	-	-	47	47	26	21	55.3	-	-
TOTAL	19,739	-	(931)	18,808	16,386	2,422	87.1	8,074	7,809

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DETAIL PER PROGRAMME 4:
DEVELOPMENT AND PLANNING
for the year ended 31 March 2006

DETAIL PER PROGRAMME 4: DEVELOPMENT AND PLANNING for the year ended 31 March 2006

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments									
Compensation for employees	12,400	-	(2,849)	9,551	8,630	921	90.4	2,991	2,795
Goods and Services	5,214	-	1,718	6,932	6,920	12	99.8	5,043	4,999
Transfers and Subsidies									
Provinces and municipalities	95	(15)	200	280	231	49	82.5	10	7
Households	-	15	-	15	14	1	93.3	-	-
Payments and capital assets									
Machinery and equipment	2,030	-	-	2,030	591	1,439	29.1	30	8
TOTAL	19,739	-	(931)	18,808	16,386	2,422	87.1	8,074	7,809

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DETAIL PER PROGRAMME 4:
DEVELOPMENT AND PLANNING
for the year ended 31 March 2006

DETAIL PER PROGRAMME 5: SPECIAL FUNCTIONS for the year ended 31 March 2006

Programme per subprogramme	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
5.1 Theft and losses/debt write-off Current payment	-	-	65	65	65	-	100.0	-	-
TOTAL	-	-	65	65	65	-	100.0	-	-

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DETAIL PER PROGRAMME 5:
SPECIAL FUNCTIONS
for the year ended 31 March 2006

Economic Classification	2005/06							2004/05	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of total Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments Financial transactions in assets and liabilities	-	-	65	65	65	-	100.0	-	-
TOTAL	-	-	65	65	65	-	100.0	-	-

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2006

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2006

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (A-F) to the annual financial statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. **Detail on financial transactions in assets and liabilities**
Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities) to the annual financial statements.
4. **Explanations of material variances from Amounts Voted (after virement):**
4.1 **Per programme:**

Programme name	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Programme 1: Administration	51,286	51,138	148	0.3
Explanation of variance:- Provision in the amount of R148 000 was made for the write-off of old staff debts. Due to the Department still attempting to recover these debts, only R65 000 was utilised for this purpose. (See Special functions)				
Programme 1: Housing	665,981	654,320	11,661	1.75
Explanation of variance:- Underspending mainly due to cancelled Human settlement redevelopment programme projects, maintenance contracts not completed by 31 March 2006 and municipal accounts not verified and paid by 31 March 2006.				
Programme 1: Local Government	75,668	68,258	7,410	9.79
Explanation of variance:- Underspending mainly due to the late filling of vacant posts and disaster relief fund projects not completed and claimed by municipalities at 31 March 2006.				
Programme 1: Development and Planning	18,808	16,386	2,422	12.88
Explanation of variance:- Underspending mainly due to vacant posts not filled, and subsequent underspending on overheads and capital.				
Programme 1: Special Functions	65	65	-	-
No variance. Funding for this was obtained by way of a virement from Programme 1 where the write-off of debts were originally budgeted.				

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NOTES TO THE
APPROPRIATION STATEMENT
for the year ended 31 March 2006

4.2 Per economic classification

Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Current expenditure	133,714	132,498	1,216	0.91
Compensation for employees	76,609	75,489	1,120	1.46
Goods and Services	57,040	56,944	96	0.17
Financial transactions in assets and liabilities	65	65	-	-
Transfers and Subsidies	668,502	650,052	18,450	2.76
Provinces and municipalities	63,992	56,765	7,227	11.29
Departmental agencies and accounts	975	975	-	-
Non-profit institutions	450	450	-	-
Households	603,085	591,862	11,223	1.86
Payments and capital assets	9,592	7,617	1,975	20.59
Machinery and equipment	9,532	7,558	1,974	20.71
Software and other intangible assets	60	59	1	1.67
	811,808	790,167	21,641	2.67

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NOTES TO THE
APPROPRIATION STATEMENT
for the year ended 31 March 2006

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2006

	Note	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1.	811,808	801,903
Departmental revenue	2.	25,635	13,994
TOTAL REVENUE		837,443	815,897
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	75,489	63,147
Goods and services	4.	56,944	38,238
Financial transactions in assets and liabilities	5.	65	-
Total current expenditure		132,498	101,385
Transfers and subsidies	6.	650,052	561,468
Expenditure for capital assets			
Machinery and equipment	7.	7,558	2,414
Software and other intangible assets	7.	59	141
Land and subsoil assets	7.	-	464
Total expenditure for capital assets		7,617	3,019
TOTAL EXPENDITURE		790,167	665,872
NETT SURPLUS/(DEFICIT)		47,276	150,025
NETT SURPLUS/(DEFICIT) FOR THE YEAR		47,276	150,025
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	11.	21,641	136,031
Departmental revenue	12.	25,635	13,994
NETT SURPLUS/(DEFICIT) FOR THE YEAR		47,276	150,025

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STATEMENT OF
FINANCIAL PERFORMANCE
for the year ended 31 March 2006

STATEMENT OF FINANCIAL POSITION at 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets			
Cash and cash equivalents	8.	75,642	206,857
Prepayments and advances	9.	61,079	202,456
Receivables	10.	97	138
		14,466	4,273
TOTAL ASSETS		75,642	206,857
LIABILITIES			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11.	75,401	206,620
Departmental revenue to be surrendered to the Revenue Fund	12.	21,641	136,031
Payables	13.	1,999	726
		51,761	69,863
TOTAL LIABILITIES		75,401	206,620
NET ASSETS		241	237
Represented by:			
Recoverable revenue		241	237
TOTAL		241	237

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STATEMENT OF
FINANCIAL POSITION
at 31 March 2006

STATEMENT OF CHANGES IN NETT ASSETS for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Recoverable revenue			
Opening balance		237	214
Transfers		4	23
Debts written off	5.2	(36)	-
Debts raised		40	23
Balance at 31 March		241	237
TOTAL		241	237

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STATEMENT OF CHANGES
IN NET ASSETS
for the year ended 31 March 2006



CASH FLOW STATEMENT for the year ended 31 March 2006

	<i>Note</i>	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Annual appropriated funds received	1.1	862,533	840,987
Departmental revenue received		811,808	801,903
		50,725	39,084
Net (increase)/ decrease in working capital		(28,254)	(4,396)
Surrendered to Revenue Fund		(185,483)	(233,797)
Current payments		(132,498)	(101,385)
Transfers and subsidies paid		(650,052)	(561,468)
Net cash flow available from operating activities	14.	(133,754)	(60,059)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(7,617)	(3,019)
Net cash flows from investing activities		(7,617)	(3,019)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		4	23
Net cash flows from financing activities		4	23
Net increase/ (decrease) in cash and cash equivalents		(141,367)	(63,055)
Cash and cash equivalents at beginning of period		202,446	265,501
Cash and cash equivalents at beginning of period	15.	61,079	202,446

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CASH FLOW
STATEMENT
for the year ended 31 March 2006

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation Received 2004/05 R'000
Programmes				
Administration	51,286	51,289	-	40,593
Housing	665,981	665,981	-	692,754
Local government	75,668	75,668	-	60,482
Development and planning	18,808	18,808	-	8,074
Special functions	65	65	-	-
TOTAL	811,808	811,808	-	801,903

1.2 Conditional Grants

	Note	2005/06 R'000	2004/05 R'000
Total grants received	Annexure 1A	598,270	648,700

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NOTES TO THE ANNUAL
FINANCIAL STATEMENT
for the year ended 31 March 2006

2. Departmental revenue to be surrendered to Revenue Fund	<i>Note</i>	2005/06 R'000	2004/05 R'000
Sales of goods and services other than capital assets	2.1	25	33
Interest, dividends and rent on land	2.2	1,619	1,014
Financial transactions in assets and liabilities	2.3	49,081	38,037
Total revenue collected		50,725	39,084
Less: Departmental revenue budgeted	12	25,090	25,090
TOTAL		25,635	13,994

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2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	25	33
Administrative fees	25	33
TOTAL	25	33

2.2 Interest, dividends and rent on land

Interest	871	655
Rent on land	748	359
TOTAL	1,619	1,014

2.3 Financial transactions in assets and liabilities

Other receipts including recoverable revenue	49,081	38,037
TOTAL	49,081	38,037

3. Compensation of employees

3.1 Salaries and wages

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Basic salary		51,062	43,573
Performance award		1,063	1,545
Service Based		559	1,525
Compensative/circumstantial		1,191	878
Periodic payments		742	609
Other non-pensionable allowances		11,846	5,945
TOTAL		66,463	54,075

3.2 Social contributions

3.2.1 Employer contributions

Pension		5,771	5,909
Medical		2,993	2,947
Bargaining council		13	13
Insurance		9	9
TOTAL		8,786	8,878

3.2.2 Post retirement benefits

Pension		118	194
Medical		120	-
Insurance		2	-
TOTAL		240	194

Total compensation of employees

		75,489	63,147
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Average number of employees

		473	401
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4. Goods and services

	Note	2005/06 R'000	2004/05 R'000
Advertising		3,198	1,920
Attendance fees (including registration fees)		13	23
Bank charges and card fees		92	94
Bursaries (employees)		167	420
Communication		3,084	1,644
Computer services		305	86
Consultants, contractors and special services		16,568	15,826
Courier and delivery services		7	19
Tracing agents & debt collections		169	135
Entertainment		466	552
External audit fees	4.1	5,090	2,620
Equipment less than R5 000		1,704	783
Freight service		-	1
Inventory	4.2	1,696	1,522
Legal fees		376	368
Maintenance, repair and running costs		4,886	2,323
Medical services		48	88
Operating leases		1,475	745
Mint of decorations/medals		-	7
Photographic services		-	1
Plant flowers and other decorations		88	24
Printing and publications		715	217
Professional bodies and membership fees		250	67
Resettlement costs		458	46
Subscriptions		96	13
Owned and leasehold property expenditure		22	1,428
Translations and transcriptions		97	63
Transport provided as part of the departmental activities		3	-
Travel and subsistence	4.3	9,177	5,325
Venues and facilities		5,258	1,347
Protective, special clothing & uniforms		80	37
Training & staff development		1,361	494
TOTAL		56,944	38,238

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4.1 External audit fees

	<i>Note</i>	2005/06 R'000	2004/05 R'000
Regulatory audits		2,719	2,282
Performance audits		384	338
Other audits		1,987	-
Total external audit fees		5,090	2,620

4.2 Inventory

Domestic Consumables		67	14
Food and Food supplies		2	64
Fuel, oil and gas		33	58
Other consumables		48	7
Parts and other maintenance matters		-	88
Sport and recreation		-	4
Stationery and Printing		1,541	1,287
Total Inventory		1,691	1,522

4.3 Travel and subsistence

Local		8,907	5,052
Foreign		270	273
Total travel and subsistence		9,177	5,325

5. Financial transactions in assets and liabilities	Note	2005/06 R'000	2004/05 R'000
Debts written off	5.1	65	-
TOTAL		65	-

5.1 Debts written off

Nature of debts written off			
Transfer to debts written off			
Out of Service debt		65	-
TOTAL		65	-

5.2 Recoverable revenue debts written off

Breach of contract: Bursaries		(36)	-
Note: This amount forms part the amount referred to in Note 5.1			
		(36)	-

6. Transfers and subsidies

Provinces and municipalities	Annexure 1B & 1C	56,765	32,968
Departmental agencies and accounts	Annexure 1D	975	-
Non-profit institutions	Annexure 1E	450	200
Households	Annexure 1F	591,862	528,300
TOTAL		650,052	561,468

7. Expenditure on capital assets

Machinery and equipment	Annexure 3.1	7,558	2,414
Land and subsoil assets	Annexure 3.3	-	464
Software and other intangible assets	Annexure 3.4	59	141
TOTAL		7,617	3,019

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8.	Cash and cash equivalents	Note	2005/06 R'000	2004/05 R'000
	Consolidated Paymaster General Account		(14,924)	(4,324)
	Cash receipts		47	4
	Disbursements		-	(1)
	Cash on hand		1	2
	Cash with commercial banks		75,955	206,765
	TOTAL		61,079	202,446

9.	Prepayments and advances			
	Travel and subsistence		97	138
	TOTAL		97	138

10.	Receivables	Note	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
	Staff debtors	10.1	44	82	458	584	529
	Other debtors	10.2	3,466	935	224	4,625	3,322
	Claims recoverable	Annexure 5	8,898	359	-	9,257	422
	TOTAL		12,408	1,376	682	14,466	4,273

10.1	Staff debtors	Note	2005/06 R'000	2004/05 R'000
	Persal control accounts: In service debt: Income tax		1	23
	Provincial debtors account: In service debt			
	Breach of contract: Study bursaries		23	21
	Salary related debts		65	28
	Other		8	2
	Provincial debtors account: Out of service debt:			
	Damages and losses		346	370
	Breach of contract: Study bursaries		13	6
	Salary related debts		123	73
	Other		5	6
	TOTAL		584	529

10.2 Other Debtors

	Note	2005/06 R'000	2004/05 R'000
Loss control account		226	224
Persal clearing accounts		9	116
Miscellaneous disallowances		3,661	1,982
Community Development Worker Fund		729	-
TOTAL		4,625	3,322

11. Voted funds to be surrendered to the Revenue Fund

Opening balance		136,031	192,682
Transfer from Statement of Financial Performance		21,641	136,031
Paid during the year		(136,031)	(192,682)
Closing balance		21,641	136,031

Request for Roll-overs: R19 306 000

Provincial Project Preparation Grant: R63 000;
Disaster Relief Grant (National Conditional Grant): R6 589 000;
Human Settlement Redevelopment Programme
(National Conditional Grant): R11 137 000
Acquisition of furniture and IT equipment: R1 517 000

12. Departmental revenue to be surrendered to the Revenue Fund

Opening Balance		726	2,757
Transfer from Statement of Financial Performance		25,635	13,994
Departmental revenue budgeted	2.	25,090	25,090
Paid during the year		(49,452)	(41,115)
Closing balance		1,999	726

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13. Payables – current	Note	30 Days R'000	30+ Days R'000	2005/06 Total R'000	2004/05 Total R'000
Description					
Amounts owing to other entities	Annexure 6	-	227	227	15
Advances received	13.1	-	-	-	13,874
Clearing accounts	13.2	-	-	-	2
Other payables	13.3	51,534	-	51,534	55,972
TOTAL		51,534	227	51,761	69,863

13.1 Advances received	Note	2005/06 R'000	2004/05 R'000
Integrated Services Land Project		-	11,817
Masekhane Project		-	311
Community Development Workers Funding		-	1,746
TOTAL		-	13,874

13.2 Clearing accounts	2005/06 R'000	2004/05 R'000
Suspense accounts: Other	-	2
TOTAL	-	2

13.3 Other Payables	2005/06 R'000	2004/05 R'000
Western Cape Housing Development Fund	51,534	55,972
TOTAL	51,534	55,972

14. Net cash flow available from operating activities	2005/06 R'000	2004/05 R'000
Net surplus/(deficit) as per Statement of Financial Performance	47,276	150,025
(Increase)/decrease in receivables – current	(10,193)	(2,597)
(Increase)/decrease in prepayments and advances	41	63
(Increase)/(decrease) in payables – current	(18,102)	(1,862)
Surrenders to revenue fund	(185,483)	(233,797)
Expenditure on capital assets	7,617	3,019
Other non cash items	25,090	25,090
Net cash flow generated by operating activities	(133,754)	(60,059)

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

	Note	2005/06 R'000	2004/05 R'000
Consolidated Paymaster General Account		(14,924)	(4,324)
Cash receipts		47	4
Disbursements		-	(1)
Cash on hand		1	2
Cash with commercial banks		75,995	206,765
TOTAL		61,079	202,446

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2006

These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.

16. Contingent liabilities

		<i>Note</i>	2005/06 R'000	2004/05 R'000
Liable to	Nature			
Housing loan guarantees	Employees	ANNEXURE 2A	348	426
Claims against the department	Claim against WCHDB	ANNEXURE 2B	16	-
Other departments	Interdepartmental unconfirmed balances	ANNEXURE 6	227	14
Other	Court cases	ANNEXURE 2B	200	187
TOTAL			791	627

17. Commitments

Current expenditure

Approved and contracted	6,198	11,510
Approved but not yet contracted	-	-
	6,198	11,510

Capital expenditure

Approved and contracted	20,936	96,874
Approved but not yet contracted	1,307	-
	22,243	96,874
Total Commitments	28,441	108,384

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18. Accruals	Note	30 Days R'000	30+ Days R'000	2005/06 Total R'000	2004/05 Total R'000
By economic classification					
Compensation of employees		7	17	24	-
Goods and services		625	1,518	2,143	2,176
Transfers and subsidies		14,601	37,585	52,186	9,269
Machinery and Equipment		156	102	258	-
Software and other intangible assets		6	6	12	-
Other		8	-	8	-
TOTAL		15,403	39,228	54,631	11,445

Listed by programme level

Programme 1: Administration				1,007	1,539
Programme 2: Housing				52,952	9,752
Programme 3: Local Government				337	154
Programme 4: Development and Planning				335	-
TOTAL				54,631	11,445

Confirmed balances with other departments	<i>ANNEXURE 6</i>			-	731
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19. Employee benefit provisions

Note

Leave entitlement				1,459	1,307
Thirteenth cheque				1,815	1,006
Performance awards				1,699	1,194
Capped leave commitments				7,564	7,900
TOTAL				12,537	11,407

20. Lease Commitments

20.1 Operating leases

	Land	Buildings and other fixed structures	Machinery and equipment	2005/06 Total R'000	2004/05 Total R'000
Not later than 1 year	-	-	939	939	561
Later than 1 year and not later than 5 years	-	-	934	934	877
Total present value of lease liabilities	-	-	1,873	1,873	1,438

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21. Irregular expenditure	<i>Note</i>	2005/06 R'000	2004/05 R'000
21.1 Reconciliation of irregular expenditure			
Opening Balance		690	696
Amounts condoned		-	(6)
Current expenditure		-	(6)
Irregular expenditure awaiting condonment		690	690
Analysis			
Prior years		690	690
TOTAL		690	690

22. Key management personnel	No of Individuals		
Description			
Political Office Bearers (provide detail below)			
Level 15 to 16	1	750	689
Level 14	1	916	1,536
Chief financial officer	6	2,127	1,078
	1	487	930
TOTAL		4,280	4,233

Minister ML Fransman: April to June 2005: R286 888
 Minister QR Dyantyi: July 2005 to March 2006: R463 090
 Included in the compensation paid to key management personnel are performance bonuses of R29 606. During 2004/2005 the Department consisted of two Departments, namely Local Government and Housing, each with it's own Accounting Officer, which explains the difference between the current and prior financial years' figures for salary levels 15 to 16.

23. Provisions	<i>Note</i>		
Potential irrecoverable debts			
Households		380	-
Other debtors		226	-
TOTAL		606	-