



# TABLE OF CONTENTS

## ABBREVIATIONS & ACRONYMS

3

## PART 1: GENERAL INFORMATION

5

1.1	SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY	6
1.2	INTRODUCTION BY THE HEADS OF DEPARTMENTS	6
1.3	INFORMATION ON THE MINISTRIES	7
1.4	MISSION STATEMENT	7
1.5	HOUSING LEGISLATIVE AND POLICY MANDATES	7
1.6	LOCAL GOVERNMENT LEGISLATIVE AND POLICY MANDATES	10
1.7	TRANSVERSAL LEGISLATION AND POLICY MANDATES	11

## PART 2: DEPARTMENTAL PROGRAMME PERFORMANCE

13

2.1	VOTED FUNDS	14
2.2	AIM OF THE VOTE	14
2.3	KEY MEASURABLE OBJECTIVES, PROGRAMMES AND ACHIEVEMENTS	14
2.4	OVERVIEW OF THE SERVICE DELIVERY ENVIRONMENT FOR 2009/10	18
2.5	LOCAL GOVERNMENT AND HOUSING ORGANISATIONAL ENVIRONMENT	20
2.6	DEPARTMENTAL REVENUE, EXPENDITURE, AND OTHER SPECIFIC TOPICS	21
2.7	DEPARTMENTAL EXPENDITURE	22
2.8	TRANSFER PAYMENTS	22
2.9	CONDITIONAL GRANTS AND EARMARKED FUNDS	22
2.10	CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN	23
2.11	PROGRAMME PERFORMANCE	23

## PART 3: ANNUAL FINANCIAL STATEMENTS

33

## PART 4: HUMAN RESOURCE MANAGEMENT

101

4.1	SERVICE DELIVERY	102
4.2	EXPENDITURE	103
4.3	EMPLOYMENT AND VACANCIES	105
4.4	JOB EVALUATION	106
4.5	EMPLOYMENT CHANGES	108
4.6	EMPLOYMENT EQUITY	110

4.7.	SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS	113
4.8.	FILLING OF SMS POSTS	114
4.9.	PERFORMANCE REWARDS	115
4.10.	FOREIGN WORKERS	117
4.11.	LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009	117
4.12.	HIV AND AIDS & HEALTH PROMOTION PROGRAMMES	119
4.13.	LABOUR RELATIONS	121
4.14.	SKILLS DEVELOPMENT	123
4.15.	INJURY ON DUTY	124
4.16.	UTILISATION OF CONSULTANTS	125

## ABBREVIATIONS & ACRONYMS

BNG	BREAKING NEW GROUND
BESP	BUILT ENVIRONMENT SUPPORT PROGRAMME
CFO	CHIEF FINANCIAL OFFICER
CDW	COMMUNITY DEVELOPMENT WORKER
CRU	COMMUNITY RESIDENTIAL UNITS
DBSA	DEVELOPMENT BANK OF SOUTH AFRICA
DM	DISTRICT MUNICIPALITY
DORA	DIVISION OF REVENUE ACT
EEDBS	ENHANCED EXTENDED DISCOUNT BENEFIT SCHEME
EHP	EMERGENCY HOUSING PROGRAMME
HRM	HUMAN RESOURCE MANAGEMENT
HSS	HOUSING SUBSIDY SYSTEM
IDP	INTEGRATED DEVELOPMENT PLAN
IGR	INTERGOVERNMENTAL RELATIONS
I.H.A.H.S.D	INTEGRATED HOUSING AND HUMAN SETTLEMENT DEVELOPMENT GRANT
LED	LOCAL ECONOMIC DEVELOPMENT
LEFTEA	LESS FORMAL TOWNSHIP ESTABLISHMENT ACT
LGMTEC	LOCAL GOVERNMENT MEDIUM TERM EXPENDITURE COMMITTEE
LGSA	LOCAL GOVERNMENT STRATEGIC AGENDA
M&E	MONITORING AND EVALUATION
MEC	MEMBER OF EXECUTIVE COUNCIL (PROVINCIAL MINISTER)
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
MIE	MUNICIPAL INFRASTRUCTURE ENHANCEMENT
MIG	MUNICIPAL INFRASTRUCTURE GRANT
MIS	MANAGEMENT INFORMATION SYSTEM
PAF	PROVINCIAL ADVISORY FORUM
PAFTECH	PROVINCIAL ADVISORY FORUM TECHNICAL COMMITTEE
PSC	PUBLIC SERVICE COMMISSION
PFMA	PUBLIC FINANCE MANAGEMENT ACT
PHP	PEOPLE'S HOUSING PROCESS
RLCC	REGIONAL LAND CLAIMS COMMISSION
SIU	SPECIAL INVESTIGATION UNIT
STP	SOCIAL TRANSFORMATION PROGRAMME
UISP	UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME
WCHDB	WESTERN CAPE HOUSING DEVELOPMENT BOARD
WCHDF	WESTERN CAPE HOUSING DEVELOPMENT FUND





## PART 1: GENERAL INFORMATION





## PART 1: GENERAL INFORMATION

### 1.1 Submission of the Annual Report to the Executive Authority

We, Mbulelo Tshangana, Head of Department of Human Settlements and Hildegard Fast, Head of Department of Local Government, have the honour of submitting the 2009/10 Annual Report of the Department of Local Government and Housing to the Executive Authorities in terms of the Public Finance Management Act, 1999.

### 1.2 Introduction by the Heads of Departments

There were two significant processes that influenced the Department over the past year. The first was the change in political leadership and, coupled with that, the development of a new five-year strategic plan for 2010-2015. Intensive strategic planning sessions were held with the Minister of Housing and Minister of Local Government to ensure a focused and credible five-year plan.

The second process was the division of the Department into two separate departments, with the Department of Local Government and Department of Human Settlements formally being established on 1 April 2010. The Department successfully implemented a process of organisational restructuring to prepare for the new Departments, and each new department developed its own Strategic Plan and Annual Performance Plan for the 2010/11 financial year. This transitional period was successfully managed by the acting Head of Department, Mr Dave Daniels.

In spite of the significant strategic and organisational changes, the Department largely achieved its performance targets for 2009-2010.

#### Supporting Municipalities

The Department continued to provide support to municipalities to ensure sound administration and effective service delivery. A key tool for achieving both of these is effective performance management, and the Department provided support to twenty municipalities to enhance their performance management systems. Another key tool is effective anti-fraud and anti-corruption support, and in this respect the Department completed twenty-nine anti-corruption interventions in thirteen municipalities.

The Department is proud of its new Integrated Development Plan (IDP) Learnership Certificate Programme, which trained IDP practitioners throughout the Province. The success of the programme has resulted in the programme being rolled out again.

The Community Development Workers (CDW) Programme continued to have a real impact on the ground. Apart from assisting thousands of people to access government grants, CDWs facilitated workshops and projects for communities that involved a wide variety of national and provincial departments. For example, the Programme worked together with the provincial Department of Agriculture to roll out successful food gardens. CDWs also conducted awareness campaigns on issues such as fire and flood prevention and preparedness, housing consumer education, and substance abuse.

The Provincial Disaster Management Centre (PDMC) provided effective coordination of the drought disaster in the Garden Route, where rainfall has been the lowest in one-hundred-and-thirty-two years. The PDMC mobilised R195 million in drought relief funding and facilitated the implementation of pioneering projects such as a desalination plant in Sedgefield. The PDMC also prepared extensively for the 2010 Fifa World Cup and ensured that there was full readiness for any disaster.

#### Promote and develop participative and sustainable integrated human settlements

The department continued to roll out the delivery of housing opportunities to the citizens of the Western Cape by delivering approximately 16 566 housing units and 12 400 sites under its different programmes.

This included approximately 7 299 serviced sites from the project linked subsidies (PLS) and Upgrading of Informal Settlement Programme (UISP), 2 190 sites in terms of the emergency housing programme (EHP), 1 080 on rental programmes and 1 819 on Individual/ EEDBS. The housing units included approximately

6 146 top structures built under the Project Linked Subsidies (PLS) and 6 411 on the PHP programme. In addition approximately 4 009 housing units were delivered in terms of the Individual subsidies, EEDBS, EHP, Social Housing and CRU programme.

In addition, in order to support the development and implementation of integrated human settlements, the department completed a number of research projects. The department furthermore initiated a project to ensure the enhancement and upgrading of the Housing Demand Database for all Municipalities which will be rolled out over the next five years. The department also continued to successfully implement the Built Environment Support Programme in partnership with the Department of Environmental Affairs and Development Planning to support twenty eight municipalities in the development of Human Settlements Plans. Another key highlight was the development of a Provincial Rental Housing Strategy.

A further key development was the strategic policy shift and alignment of resources to ensure the effective implementation of integrated human settlements. The policy shift to be implemented over the next five years broadly includes:<sup>1</sup>

- Accelerated delivery of housing opportunities by upscaling provision and implementation of serviced sites.
- A sense of ownership and personal responsibility amongst beneficiaries, owners and tenants.
- Optimal and sustainable use of resources.

### 1.3 Information on the Ministries

The Department of Local Government and Housing had Bonginkosi Madikizela as Provincial Minister for Housing and Anton Bredell as Provincial Minister for Local Government, Environmental Affairs and Development Planning.

#### Visits Abroad

From 27 February to 8 March 2010 the Minister of Housing and Deputy Director General for Housing visited Brighton, United Kingdom to attend the 21st Annual Chartered Institute of Housing (CIH) Conference 2010. The purpose of this conference was to share experiences with a range of countries, in respect of the impact of the credit crunch on:

- social housing;
- maintenance and improvement programmes;
- new affordable housing;
- innovation and quality of new housing; and
- government funding programmes.

### 1.4 Mission Statement

The mission of the Department of Local Government and Housing was:

- To be effective agents of change in capacitating municipalities to deliver services and ensuring integrated and sustainable development;
- To promote, facilitate and develop participative and integrated sustainable human settlements; and
- To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

### 1.5 Housing Legislative and Policy Mandates

#### 1.5.1 Constitutional mandates

Chapter 2 (Bill of Rights) of The Constitution, Section 26<sup>2</sup> requires the state to:

- Take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of everyone's right of access to housing; and
- To ensure no-one is evicted from their home, or has their home demolished, without an order of the court made after considering all the relevant circumstances.

<sup>1</sup> There are number of other policy shifts as well, which can be perused in the Strategic Plan 2010-2015  
<sup>2</sup> The South African Constitution Act 108 of 1996



The Constitution<sup>3</sup> further provides that housing is a competency that is held concurrently by national and provincial governments. Section 156 (1) and (2) of the Constitution<sup>4</sup> provides for the powers and functions that a municipality has executive authority for, of which housing as a core competency is not explicitly included.<sup>5</sup>

However, the Constitution, in Section 156 (4), further states that national and provincial governments must assign to a municipality by agreement and subject to any conditions the administration of matters listed in schedule 4A and 5A<sup>6</sup> matters which necessarily relate to local government, if:

- a) The matter would most effectively be administered locally, and
- b) The municipality has the capacity to administer it.

As a result of these sections (read together) the housing function has now been deemed in national policy, to be a function that meets the above-mentioned criteria.

### 1.5.2 Statutory Mandates

The following key pieces of legislation currently govern the housing environment:

#### (i) Housing Act (Act 107 of 1997)

The mandate of the National Department of Human Settlements (NDOHS) is set out in the Housing Act. Section 2 of the Housing Act compels all three spheres of government to give priority to the needs of the poor in respect of housing development.

In addition all three spheres of government must ensure that housing development: –

- (a) Provides as wide a choice of housing and tenure options as is reasonably possible;
- (b) Is economically, fiscally, socially and financially affordable and sustainable;
- (c) Is based on integrated development planning; and
- (d) Is administered in a transparent, accountable and equitable manner, and upholds the practice of good governance Section 2(1)(c).

The NDOHS is in the process of investigating amendments to the Act to give greater impetus to both the letter and spirit of section 156 of the Constitution. These amendments intend to provide a legislative basis for:

- Assigning the housing function to municipalities where appropriate; and
- To compel national and provincial government bodies to build the capacity of municipalities in order to facilitate assignments that are under consideration.

The Housing Code is issued in terms of this Act. Besides outlining National Housing Policy document, the Code also provides guidelines and suggestions as to how the Policy should be implemented. In 2009, the NDOHS released a comprehensive revision of the Housing Code to take account of all available subsidy instruments that have evolved over the previous fifteen years.

#### (ii) Prevention of Illegal Eviction From and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998)

The Prevention of Illegal Eviction From and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act 52 of 1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act makes it an offence to evict such invaders without following due process of law.

#### (iii) Housing Consumers Protection Measures Act, 1998 (Act 95 of 1998)

The Act provides for the establishment of a statutory regulating body for home builders. The National Home Builders Registration Council (NHBRC) is tasked with registering every builder and regulating the home building industry by formulating and enforcing a code of conduct. The Act provides for the protection of housing consumers by providing warranty protection against defects in new homes. The implementation of the Act is monitored continuously by the department.

#### (iv) Rental Housing Act, 1999 (Act 50 of 1999)

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

<sup>3</sup> Refer to Provincial Strategic Objective 6 for a more detailed explanation of the three outcomes.

<sup>4</sup> Chapter 7

<sup>5</sup> Local government has thus been afforded a set of 'core' competencies in the Constitution itself. At present, housing is not one of these core competencies, since this is held concurrently by national and provincial government as per Schedule 4 Part A

<sup>6</sup> Schedule 4 refers to functional areas of concurrent national and provincial legislative competence of which housing is included. Schedule 5 refers to functional areas of exclusive provincial competence

#### (v) Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000)

The Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities. It requires financial institutions to disclose information and identifies discriminatory lending patterns.

#### (vi) Western Cape Housing Development Act, 1999 (Act 6 of 1999)

This Act provides for the promotion, facilitation and financing of housing facilities in the Western Cape.

#### (vii) Other legislation

- Land Use Planning Ordinance 1985 (Ord. 15 of 1985) LUPO;
- Less Formal Township Establishment Act 1991 (Act 13 of 1991) LEFTE;
- Western Cape Less Formal Township Establishment Amendment Act 2007 (Act 6 of 2007) WC-LEFTE;
- Sectional Title Act 1986 (Act 95 of 1986);
- Disestablishment of South African Trust Limited Act 2002 (Act 26 of 2002); and
- Housing Development Agency Act (Act 23 of 2008).

#### (viii) Planned Legislation

The National Department of Human Settlement has recently tabled the following bills:

- The Sectional Titles Management Bill, to deal with the management and administration of sectional titles schemes; and
- The Community Scheme Ombud Service Bill, to establish a dispute resolution mechanism for all community housing schemes.

The National Minister of Human Settlements, announced in his Budget Vote Speech (2009) that there will be several legislative amendments to existing legislation as well as the development of some new legislation in the foreseeable future. These legislative interventions are being developed to address the current legislative gaps and weaknesses in order to accelerate the delivery of housing opportunities. They include:

- Amendments to the Housing Act, to align it with the ethos, principles and intention that underpins the creation of sustainable integrated human settlements;
- The Land Use Management Bill; and
- Housing National Code.

The Premier of the Western Cape announced in the State of the Province Address (2010) that she had submitted for review to the President a number of onerous national housing and planning legislation, which requires streamlining. This would ensure optimal delivery of integrated human settlements.

The Premier furthermore announced in the State of the Province Address that the Provincial Government is currently reviewing all provincial spatial planning legislation with the aim of consolidating it into one Act that streamlines, simplifies and clarifies roles and responsibilities regarding land use planning.

### 1.5.3 Policy Mandates

#### (i) National Spatial Development Perspective (NSDP), 2002

The NSDP became national policy in 2002 and remains in place. It demonstrates the high levels of deprivation which often coincides with areas of high economic growth potential. The NSDP provides a framework for the development of the national space economy.

#### (ii) Provincial Spatial Development Framework (PSDF), 2005

The Framework sets out "an integrated social, economic and environmental framework" for the spatial development of the province in order to guide public and private investment.

Flowing from the NSDP, the PSDF argues that public capital investment, including expenditure on human settlements, should be directed towards towns and regions of high growth potential. The PSDF also provides norms about the nature of physical development within human settlements.

#### (iii) "Breaking New Ground" (BNG) - A comprehensive plan for the development of sustainable human settlements, 2004

"Breaking New Ground", first tabled in 2004, remains the national government's policy framework for human settlements. The framework provides for several programmes which were formulated as strategic objectives. The programmes are as follows:

- Stimulating the Residential Property Market;
- Spatial Restructuring and Sustainable Human Settlements;
- Social (Medium-Density) Housing Programme;
- Informal Settlement Upgrading Programme;
- Institutional Reform and Capacity building;
- Housing Subsidy Funding Systems Reforms; and
- Housing and Job Creation.

The BNG policy also provides the policy basis for assigning the housing function to municipalities. The BNG states that a framework should be established “to address various legislative and policy gaps to enable municipalities to manage the full range of housing instruments within their areas of jurisdiction”.

## 1.6 Local Government Legislative Mandates

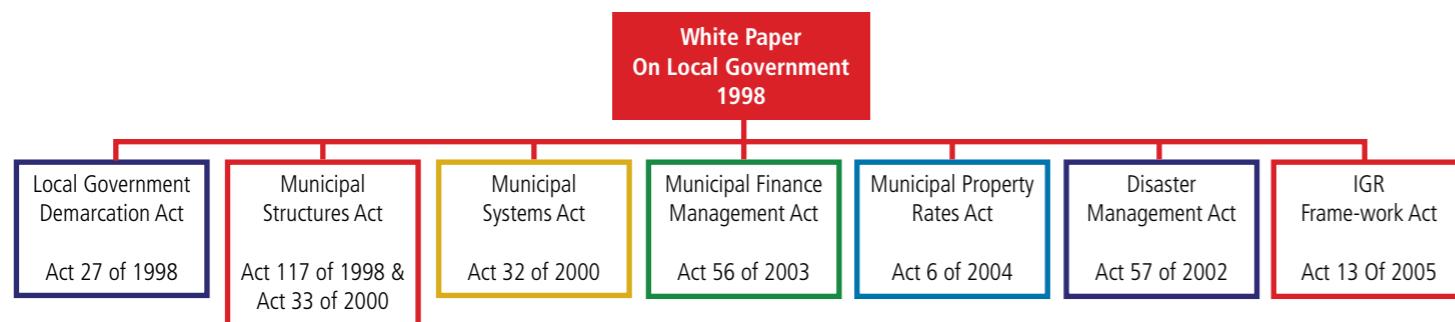
### 1.6.1 Constitutional Mandates

The Constitution of South Africa Act 108 of 1996 provides the national overarching framework for the work of all government departments in South Africa. Chapter 7 outlines the objectives and mandates in respect of local government. The following mandates for the Department of Local Government can be extracted from this:

- To establish municipalities consistent with national legislation;
- To support and strengthen the capacity of municipalities;
- To regulate the performance of municipalities in terms of their functions listed in schedules 4 and 5 of the Constitution;
- To intervene where there is non-fulfillment of legislative, executive or financial obligations; and
- To promote developmental local government.

### 1.6.2 Legislative Mandates

The White Paper on Local Government (1998) and the subsequent package of related legislation (depicted below), provides the national context for local governance across the country.



The White Paper and this suite of legislation nationally demarcates the following focus areas for the Provincial Minister for local government:

- General regulation, monitoring, support of and coordination with, local government in terms of the Municipal Structures and Systems Acts;
- Within the overall supervisory role, the regulation and monitoring of the financial management of municipalities. This will take place in terms of the Municipal Financial Management Act and the Municipal Property Rates Act; and
- Within the overall coordination role, integrated planning in terms of the Systems Act.

Particular mention is made of the most important of these namely:

#### Local Government Demarcation Act, Act 27 of 1998

This Act aims to provide for criteria and procedures for the determination of municipal boundaries by an independent authority and to provide for matters connected thereto.

#### Municipal Structures Act, 1998 & 2000 (Act 117 of 1998 and Amendment Act 33 of 2000) & Municipal Systems Act, 2000 (Act 32 of 2000)

Together these acts describe the political decision making systems which apply in different categories of municipalities, define the powers and duties of various role players and regulate the delegation of powers and provide a code of conduct to govern both councillors and officials. In so doing, they provide the benchmark against which provincial government needs to regulate, monitor, support and coordinate municipalities under its jurisdiction.

#### Municipal Finance Management Act, 2003 (Act 56 of 2003)

This Act aims to secure sound and sustainable management of the financial affairs of municipalities and establishes norms and standards against which they can be monitored and measured. The Provincial Department’s role is to monitor adherence, provide support to develop the required capacity and, where necessary, technical support.

#### Municipal Property Rates Act, 2004 (Act 6 of 2004)

This Act aims to regulate the power of a municipality to impose rates on property, exclude certain properties from rating in the national interest, make provision for municipalities to implement a transparent and fair system of exemptions, reduction and rebate through their rating policies; make provision for fair and equitable valuation methods of properties, make provision for an objections and appeals process, amend the Local Government: Municipal Systems

Act, 2000, so as to make further provision for the serving of documents by municipalities, amend or repeal certain legislation; and provides for matters connected therewith.

#### Disaster Management Act, 2002 (Act 57 of 2002)

This Act provides for integrated and coordinated disaster management focused on rapid and effective responses to disasters and reducing disaster risks. It also provides for the establishment of provincial and municipal disaster management centres. It furthermore provides a framework under which the Provincial Department operates and liaises with municipalities on disaster related matters.

#### Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

This Act aims to establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

#### Other Local Government Legislation

- Fire Brigade Services Act, 1987 (Act 99 1987);
- National Veld and Forest Fire Act, 1998 (Act 101 of 1998);
- Development Facilitation Act, 1995 (Act 65 of 1995);
- Local Government Laws Amendment Act, 2008 (Act 19 of 2008);
- Land Use Planning Ordinance, 1985 (Ord. 15 of 1985);
- Less Formal Township Establishment Act, 1991 (Act 113 of 1991);
- Western Cape Less Formal Township Establishment Amendment Act, 2007 (Act 6 of 2007);
- Western Cape Determination of Types of Municipalities Act, 2000 (Act 9 of 2000); and
- Remuneration of the Public Office Bearers Act, 1978 (Act 20 of 1978)

### 1.6.3 Policy Mandates

- White Paper on Local Government, 1998;
- National Local Government Turn Around Strategy 2009;
- Five Year Local Government Strategic Agenda;
- Local Government Anti-Corruption Strategy, 2006;
- Free Basic Services, 2000/01;
- Code of Conduct for Councillors;
- National Public Participation Framework;
- National CDW Master Plan; and
- Provincial CDW Master Plan

### 1.6.4 Relevant Court Rulings

Court cases that demonstrate the impact of the legislative mandate of government and need to be noted are:

- The Judgement in the Eastern Cape Division of the High Court (Mnquma Local Municipality & Another v Premier of the Eastern Cape & Others) although not binding on the Western Cape Province, provides firm direction as to the preconditions for the application of section 139 of the Constitution (Provincial intervention into local government) and in particular section 139 (1) thereof, which deals with the situation where a municipality cannot or does not fulfil an executive obligation in terms of the Constitution or legislation. It deals comprehensively with the scope and meaning of section 139 (1).

## 1.7 Transversal Legislation and Policy Mandates

### 1.7.1 Transversal Legislation

A series of transversal legislation impacts on the work of the department across all its various functions namely:

- Annual Division of Revenue Act;
- Skills Development Act, 1998 (Act 97 of 1998);
- Skills Levy Act, 1999 (Act 9 of 1999);
- Employment Equity Act, 1998 (Act 55 of 1998);
- Labour Relations Act, 1995 (Act 66 of 1995);
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997);
- Occupational Health and Safety Act, 1993 (Act 85 of 1993);





- Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- Promotion of Equality and Prevention of Unfair Discrimination Act (Act 4 of 2000);
- Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996); and
- Provincial Archives and Records Service of the Western Cape Act, 2005 (Act 3 Of 2005).

#### 1.7.2 Other Policy Mandates

- Batho Pele principles;
- Policy Framework For Government Wide Monitoring & Evaluation System, 2007;
- Framework for Managing Programme Performance Information, 2007; and
- South African Statistical Quality Assurance Framework, 2007.

## PART 2: DEPARTMENTAL PROGRAMME PERFORMANCE





## PART 2: DEPARTMENTAL PROGRAMME PERFORMANCE

### 2.1 Voted Funds

Table 1: Voted funds of R1, 867,324,000 for 2009/10

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount spent	Under Expenditure
	R'1,891,089,000	R'1,867,324,000	R'1,782,454,000	R'84,870,000
Responsible MEC	MEC of Local Government, Environmental Affairs and Development Planning.			
	MEC Housing			
Administering Department	Department of Local Government and Housing			
Accounting Officer	Head of Department of Local Government and Housing			

### 2.2 Aim of the Vote

The aim of this vote is to achieve the mission of the Department of Local Government and Housing, which is:

- To be effective agents of change in capacitating municipalities to deliver services and ensure integrated sustainable development;
- To promote, facilitate and develop participative and integrated, sustainable human settlements; and
- To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

### 2.3 Key measurable objectives, programmes and achievements

#### 2.3.1 Key measurable objectives

During the 2009/10 financial year the department's focus was driven by the following key strategic goals:

- Municipalities with enhanced capacity to deliver services in a developmental and sustainable manner;
- Institutionalised and operational inter-governmental relations;
- Accelerated provision of human settlements that promotes social, economic and spatial integration and are economically, environmentally and socially sustainable;
- Enhanced social capital formation and active community participation;
- Comprehensive information and knowledge management system supported by a strategic and coordinated research agenda as a basis for planning, action, monitoring and evaluation;
- Well functioning transformed department capacitated to deliver; and
- Contribution to sustainable and safer communities in the Western Cape through effective disaster management and fire brigade services.

#### 2.3.2 Programmes and Achievements

##### Programme 1: Administration

**Purpose:** To provide strategic leadership and management and effective support services in the Department in accordance with all applicable acts and policies.

##### Programme 2: Housing

**Purpose:** To plan, facilitate and develop integrated and sustainable human settlements.

##### Programme 3: Local Government

**Purpose:** To promote and facilitate viable and sustainable developmental local governance.

### Achievements

The Department had a number of notable achievements in meeting its key strategic objectives of accelerated service delivery, the provision of human settlements and enhancing the capacity of municipalities to deliver services in a developmental and sustainable manner.

#### PROGRAMME 1: Administration

A change management plan was put in place and processes to separate the Department of Local Government and Housing into two separate Departments, i.e. the Department of Human Settlements and the Department of Local Government, were successful due to tight management and control. Despite the fundamental change processes, the performance targets for 2009/2010 were largely achieved by the Department. As a result of the creation of two departments and the beginning of government's new five year term, each new department developed separate Strategic Plans and Annual Performance Plans which incorporated the new provincial government's strategic shift in policy priorities.

During 2009/10 the Department initiated a successful efficiency programme, and significant savings were realised on non-core spending items. The Department remains committed to the objectives of this programme as it benefits frontline service delivery. The Department shared this initiative with other provincial departments.

The Department received the 2009 Openness and Responsiveness Award (Provincial) from the South African Human Rights Commission and the Open Democracy Advice Centre for the implementation and institutionalisation of administrative processes in terms of the Promotion of Access to Information Act, Act 2 of 2000.

In addition, the Public Service Commission (PSC) Monitoring and Evaluation (M&E) report for 09/10 which measures compliance against the nine constitutional values and principles (CVPs), indicates progressive improvement of the department's overall performance from a rating of good (72%) for 2006/07 to excellent (86%) for 2009/10.

#### PROGRAMME 2: Housing

##### Housing Needs, Research and Planning

In supporting municipalities with regards to housing development planning, the Department distributed Vulnerability Index information to municipalities to guide planning. As a result, George Municipality adjusted their focus and intervened with the Emergency Housing Programme (EHP) response to address crucial needs to improve the vulnerability status of informal settlements.

In addition, the Sustainability Criteria (SC) were mainstreamed in order to meet social, economic and environmental requirements for human settlement development. The SC was also used as a planning and assessment tool for new projects. Moreover, the Housing Statistical System (HSS) database was enhanced to extract information at a suburb level.

The Department initiated a programme aimed at supporting municipalities to strengthen the processes through which they select eligible households for housing subsidies. A rapid research project was conducted on how seven municipalities in the Western Cape select their housing beneficiaries. Informed by this research, the Department began an investigation on how improvements could be made. A set of guidelines to assist municipalities to prioritise households for subsidies was initiated and will be released in 2010/11. The Department also initiated a research project which is aimed at strengthening the collection and management of housing demand data used by municipalities to select beneficiaries for housing projects.

The Department also undertook research aimed at understanding demand and supply features of the "gap market" in the Western Cape, and how government could better assist this market. In partnership with a nonprofit research organisation, the Department developed a tool through which public land release projects and programmes could be assessed. This tool was applied to the Department's land release projects. The research work is continuing in 2010/11. The project will focus on developing decision making tools for public land release agencies to assist them to determine the most appropriate land use for the parcels they release.

##### Housing Development

The department has managed to exceed its target in the delivery of top structures, moving from a total of 15 717 housing units delivered in 2008/09 to





16 566 housing units in 2009/10 (an increase of 5,4%). However, largely as a result of the under performance of the N2 Gateway project, the department only delivered 12 388 serviced sites in 2009/10 compared to 15 297 in the 2008/09 financial year (decrease of 19%). This resulted in under spending of approximately R84,87 million.

Performance on the delivery of serviced sites was affected largely by delayed implementation of three projects. These were Joe Slovo Phase 3 (2880 sites) and Boystown (1367 sites) within the N2 Gateway as well as Happy Valley (1347 sites).

### Housing Asset and Property Management

In reducing the Department's liability and promoting individual home ownership, the Department managed, through the Enhanced Extended Discount Benefit Scheme (EEDBS), to transfer 1341 units to beneficiaries. In addition, the Department has reduced the total outstanding debt by R 9 406 000.00 and reduced the number of debtors by 1967.

During the 2009/10 financial year, the Department held four training and information sessions on Programmes of the Department of Economic Development and Tourism which included: Red Door, LED & Die Plek Plan for the Regional Land Claims Commission (RLCC), Western Cape; representatives from Communities; and the City of Cape Town as part of the capacity building component of the restitution programme. The Department also held a training session for the same target group on GIS matters to assist in understanding the outstanding Land Claims and how to settle them.

### Programme 3: Local Government

#### Sub Programme 3.1: Local Governance

##### Municipal Administration

In providing legislative support and advice to municipalities, the Department established the Legislative and Constitutional Task Team and developed the Privileges and Immunities of Councillors draft bill. In addition, the department also finalised the Western Cape Rationalisation of Local Government Law bill.

Furthermore, the Department conducted twenty nine Anti-Corruption Interventions at thirteen municipalities, in:

- Good Governance training;
- Ethics management training;
- Compilation of Anti-Corruption Strategy and Implementation plans; and
- Anti-Corruption Community orientation sessions.

##### Public Participation

In the 2009/10 financial year, the Department successfully coordinated and hosted five district ward committee summits, as well as a Provincial Public Participation dialogue. The department also initiated the development of a tool to qualitatively measure the functionality of Ward Committees and Forums. The department placed a strong emphasis on strengthening and supporting service delivery through active citizens' participation in local government. Community Based Planning at a ward based level was rolled out to municipalities with the intention of strengthening active citizen participation in IDP processes. Induction and information sessions were conducted in respect of the roles and responsibilities of ward/area committees.

As a further means of strengthening active citizen participation, the department, in collaboration with relevant stakeholders, developed public participation citizen satisfaction surveys. These surveys will be conducted annually to measure the level of citizens' understanding of public participation mechanisms and the importance of their active participation in local government decision making.

##### Community Development Worker Programme

The Department conducted fifty CDW (Community Development Workers) Kiosk marketing campaigns reaching approximately five thousand people during November 2009 – March 2010 across the province. CDWs assisted the Department of Social Development and the Presidency by implementing the War against Poverty campaign, reaching 11000 people in Witzenberg municipality. CDWs also assisted in xenophobia challenges in the De Doorns area.

The department's partnerships with key stakeholders and government departments were consolidated in this regard; the CDW Programme has formed a crucial partnership with the Department of Agriculture in rolling out the food garden programme to enhance food security for citizens as well as through supporting nutritional centres in the province. Other partnerships included:

- Facilitating educational development opportunities for rural communities in the Southern Cape and Central Karoo;
- Active partnership with Department of Social Development in the War on Poverty campaign in Cape Winelands and Eden District Municipalities;
- Assisting members of the community with registration of Early Childhood Development Centres; and
- Recruitment of youth for home-based care learnerships and Department of Agriculture learnerships.

The CDW Programme was also involved in various numerous awareness campaigns which included:

- Fire and Flood Awareness Campaign;
- Housing Consumer Education;
- Substance Abuse Awareness Campaigns;
- Assistance with the Identification of Child Headed Households as a result of the HIV/AIDS Pandemic; and
- Water Hygiene and Cholera Campaign in the West Coast and Cape Winelands.

CDWs furthermore played a crucial role in supporting Local Economic Development (LED) initiatives, such as facilitating information sessions on economic opportunities and assisting citizens with SARS and CIPRO registration. In Langa, CDWs supported the Masincedane Project, driven by physically challenged citizens.

In addition a greater emphasis was put into strengthening the programme's back office as well as the institutional and administrative support systems.

##### Governance and Integration

The Department is proud that in the 2009/10 financial year, it was the first Province in the country to roll out the IDP (Integrated Development Plan) Learnership Certificate Programme. To ensure that municipalities develop credible IDPs, the department began a conceptual process for the development of "third generation IDPs", rolled out Community Based Planning in nine municipalities, and assessed twenty eight IDPs as credible in terms of the Provincial Credibility Framework. In addition, the department facilitated effective Inter-Governmental Relations (IGR) through revived District Coordinating Forums (DCF), and developed a directory of provincial officials for use by municipalities.

##### Capacity Development

In the 2009/10 financial year the Department provided ongoing support to municipalities to ensure administrative stability as a means to accelerate service delivery. The Department supported twenty municipalities with the implementation and / or enhancement of their Performance Management Systems. In addition, eighteen municipalities were supported with the implementation of the Municipal Property Rates Act.

Furthermore, the Department supported the second phase for the GIS in Breede Valley municipality, as well as the investigation and implementation of a decentralised service delivery model for Cederberg municipality. In partnership with the DBSA, hands on support was provided to Kannaland, Matzikama, Bergvriev, Cederberg and Saldanha Bay Municipalities through the deployment of finance, planning and engineering expertise.

An Executive Councillor Leadership Programme was provided to councillors in partnership with the South African Local Government Association (SALGA).

#### Sub-programme 3.2: Development and Planning

##### Municipal Infrastructure

The municipal Infrastructure Grant (MIG) is a ten year infrastructure programme aimed at eradicating backlog in infrastructure by 2014. The programme started in the 2004/05 financial year. The Province has an excellent expenditure trend over the past years with regard to MIG and a substantial amount of time has been ploughed into training and capacity building of municipal officials with the MIG. One hundred percent budget expenditure in non-metro municipalities has been achieved in 2009/10 financial year.

##### Disaster Management

The Eden District has been gripped by the worst drought in at least hundred-and-thirty-two years. The Provincial Disaster Management Center (PDMC) has worked closely with the Mossel Bay, George, Knysna and Bitou municipalities to deal with the drought. The PDMC was able to mobilise R195 million in drought relief funding which is being used to implement pioneering projects. Knysna installed its first desalination plant in Sedgfield, and further desalination plants will be built in Bitou. The coastal municipalities are implementing water recycling projects, and it is predicted that in future approximately twenty percent of their water will come from these projects.

As part of disaster mitigation, the fire and flood awareness campaign was a priority project for the department. The 2009 campaign was held over a one-month period in the form of a poetry competition as well as an educational industrial theatre road show. This campaign reached thirteen schools and approximately 3876 learners.

In addition, the PDMC in collaboration with the Paraffin Safety Association of Southern Africa (PSASA), rolled out seven regional "train-the-trainer" workshops for community members. These trainers will now be able to train community members in the safe use of paraffin.

The PDMC was also responsible for coordinating disaster planning for the 2010 FIFA World Cup Event. It coordinated municipalities and other relevant stakeholders' plans to reduce the disaster risks.



## 2.4 Overview of the service delivery environment for 2009/10

### 2.4.1 Housing Overview of the service delivery environment for 2009/10

The Department has been committed to accelerating delivery, while promoting social cohesion through the development of integrated and sustainable human settlements in an open opportunity society.

Sustainable human settlement development is a poverty alleviation tool, which would enable the creation of employment opportunities while creating assets for citizens through land and / or housing, thus ultimately promoting social cohesion and leveraging economic growth.

Sustainable human settlements must take into account physical and social health, opportunities for access to the economy, environmental suitability, legal and security concerns etc. Therefore, they must, among other things, comprise of the following:

- Well-managed residential areas;
- A growing economy;
- Accessible and available social and economic facilities;
- Accessibility to job opportunities;
- Accessible transport facilities; and
- Growth of asset values.

With these aspects in mind the department compiled a sustainability criteria tool. This tool would enable effective and objective planning and assessment of the level of sustainability of housing projects in order to ensure the systematic creation of sustainable human settlements across the province.

The province was and is confronted with a pressing need for thorough, coherent spatial planning that underpins the various components of its growth and development strategy. Provincial policies should have a spatial dimension and would be fundamentally compromised if they are based upon poorly-conceptualised municipal spatial development frameworks and human settlement plans.

To address these needs in a more focused way, the Built Environment Support Program (BESP) was initiated. This programme sets out to:

- Transform apartheid planning patterns;
- Restructure urban areas by supporting the revision of Municipal Spatial Development Frameworks and five year Human Settlement Plans; and
- Capacitate municipalities to carry out their planning and delivery functions.

The BESP is underpinned by a focused policy and research agenda that would inform planning of integrated sustainable human settlements in future.

In an effort to achieve a better understanding of the housing demand, the NDoHS, with the support of the department embarked on a process to determine the housing demand in the Western Cape. Municipalities were also involved in ensuring that this process would be sustained in future so that the information can be utilised for their planning processes and integrated development plan updates.

In 2009/2010, the provincial housing backlog was estimated at between 400 000 and 500 000. The housing demand was calculated in terms of the extent to which existing dwellings satisfactorily support the occupants – thus inhabitants of informal settlements, overcrowded conditions and backyard shacks are taken into account when estimating the backlog. Similarly, 2001 census data informs estimates of housing need in so far as calculations are based on those earning within or under the existing subsidy bands.

Furthermore, information regarding the tenure status was likewise considered and therefore rented accommodation (both privately-owned and public stock that is rented) was also taken into account. In order to incorporate more recent data from Statistics South Africa (Stats SA; Community Survey 2007) the department initiated a research project to investigate the use of several data sources with the purpose of obtaining a more realistic and objective estimate of the current housing demand in the province.

### 2.4.2 Local Government Overview of the service delivery environment for 2009/10

An analysis of the 2008/09 Integrated Development Plans of municipalities indicates a progressive improvement, with only two of the thirty municipalities not achieving credible IDPs. The analysis further indicates a high level of technical and administrative compliance with regards to IDP. However, some challenges remain, which include a lack of internal municipal ownership and operational constraints as a result of internal staff capacity.

Most municipalities indicated that they have developed performance policy frameworks to implement performance management systems in line with the Department of Cooperative Governance and Traditional Affairs (CoGTA) guidelines and recommendations.

Access to skills in the more technical fields remains a challenge at municipal level. Municipalities are required to annually assess skills of personnel and to develop and submit a workplace skills plan. Although all the municipalities submitted skills development plans and most municipalities have already started to implement these plans, the success of implementation was hampered by budgetary constraints.

Municipal Councils have completed four years of their five-year term. Municipalities function in a politically and administratively challenging environment and have seen frequent changes of power. Despite the fluid political environment and its consequences, there has been a general improvement in overall governance in a number of municipalities. There are still a number of challenges as indicated in the reports of the Auditor-General for 2007/08. These include non-compliance with regards to the operation of audit committees, 69% non-compliance with regard to fulfilling internal audit responsibilities, and 47% non-compliance with regard to implementation of previous external audit recommendations.

There has been a general improvement in the development of Anti-Corruption Strategies and Plans across municipalities in the province. The improvement can largely be ascribed to the Provincial Anti-Corruption Programme introduced in 2006. The major challenge is in the implementation and adherence to these strategies and plans.

A great responsibility rests on the Provincial Government and Department of Local Government, in particular to ensure that municipalities function in accordance with both the letter and spirit of the Constitution and the supporting legislation in respect of accountability, transparency, and corruption. One consequence of the constitutionally enshrined principles of independent spheres of government is the inherent tension it creates between such spheres, both politically and administratively. This tension is further exacerbated in the Western Cape as a result of the politically fluid landscape. Strong Intergovernmental Relations (IGR) therefore becomes an important mechanism that assists in achieving full participation and cooperation of the different spheres of government. Strong IGR also improves planning and budgetary alignment and coordination between these spheres.

Considerable progress has been made in this regard with the implementation of the Intergovernmental Relations Framework Act (IGRF Act). District Co-ordinating Forums (DCFs) and District Co-ordinating Forum Technical Committees (DCF Techs) have been established in all regions. However, the functioning thereof remains a challenge at a political level, despite the fact that there has been good cooperation at administrative level between municipalities within the respective regions.

The department has been working in close partnership with the Department of the Premier (DoTP) to support the Premier's Co-ordinating Forum (PCF), Premier's Metro Co-ordinating Forum (PMCF) and Premier's Co-ordinating Forum Technical Committee (PCF Tech) in terms of the new Provincial IGR Policy Framework. In addition, the department has been acting as a referral mechanism for municipal intergovernmental issues that require co-operation between provincial and local spheres of government.

The introduction of Community Development Workers (CDWs) was designed to address the institutional gaps in the service delivery and investment programmes of government, with a specific focus on poor and vulnerable communities. CDWs are located within various wards in the five municipal district regions and in the metro.

Whilst there have been numerous achievements in the development and implementation of this programme since its inception in 2005, it has also resulted in a number of challenges. In 2009, the Department commissioned an independent external five year review of the CDW Programme. The review identified a number of challenges which emanated from weaknesses at a legislative and policy level, institutional systems and process level, as well as at a resource capacity level. Flowing from the review, a number of interventions and recommendations were implemented by the Department. Key interventions included the up-scaling of the programme's back office support through the redeployment of staff, strengthening of institutional systems and processes, as well as up-scaling the monitoring, reporting and supervision of the programme and its staff. The Department created new "CDW Supervisor" posts to strengthen the management of the programme.

Municipalities have reported a large number of vacant posts in their middle management structures. These vacancies average around 35%. The vacancy rates in financial and technical posts are high and municipalities are experiencing huge challenges in the filling of these posts on all levels. This had a direct effect on service delivery and is normally the main reason indicated by municipalities for low spending on capital budgets and non-compliance with legislative requirements.

The department's capacity support programme has taken cognisance of these challenges and will address them through a number of interventions. Municipal support plans were developed for each municipality. The plans were developed in partnership with municipalities and will be continuously updated through a consultative process with the relevant stakeholders.

The department monitored municipal performance in terms of key performance indicators using various tools, processes and methodologies to identify potential challenges. One of the monitoring tools used is a quarterly multi-sectoral engagement process, i.e. the Comparative Municipal Performance Assessment and Strategy System (COMPASS), which focuses on the performance of municipalities. This process allows for both a quantitative and qualitative assessment by various stakeholders involved in local government.



In addition, quarterly municipal status reports were compiled and used to formulate a consolidated annual municipal performance report, i.e. Section 47 report. This report complied with the annual legislative obligations placed on the MEC for Local Government in terms of Section 47 of the Municipal Systems Act of 2000, where it had to be submitted to the National Minister of COGTA, the Western Cape Provincial Legislature and National Council of Provinces as well as being gazetted.

The above-mentioned monitoring mechanisms assisted the department to develop and implement support programmes which are informed by the needs of the municipalities. The main challenges in respect of the above include:

- Credibility of data received from municipalities;
- Lack of co-ordination of the various national and provincial municipal reporting and monitoring processes which results in reporting fatigue; and
- Lack of an integrated municipal performance monitoring and evaluation system.

Most municipalities are becoming more reliant on capital grants from other spheres of government to fund their capital expenditure. This indicates that the revenue base of municipalities is in most instances insufficient to generate enough funding for the provision and maintenance of basic infrastructure. Ageing service delivery infrastructure and utilities exert pressure on resources, as these have to be maintained. There has been a considerable shortage of funds for maintenance, mainly for roads, storm water drainage and sewerage.

The main challenges faced by municipalities with regard to the delivery of basic services are as follows:

- The lack of credible information;
- Availability of land;
- Insufficient funds for new bulk infrastructure, as well as the upgrading and maintenance of it;
- Lack of adequate project management skills;
- Lack of adequate technical skills;
- Large rural areas with great travelling distances; and
- The escalating cost of infrastructure development and maintenance, as well as the costs of backlog eradication.

Disasters and major incidents (fires, floods etc.) continue to severely disrupt the lives and livelihoods of the most vulnerable communities. In 2009/10 the disaster risk profile indicated that approximately thirty-eight hazards (human induced and/or natural) could cause disasters in the Western Cape Province. Already we have seen (often preventable) fires unnecessarily claiming lives in the province, especially in informal settlements. In some parts of the province there are extensive water shortages, while other areas are experiencing floods.

Besides understanding the impact of climate change and global warming and its direct impact on the nature of disaster management, the key challenges in managing disasters and major incidents are:

- The co-ordination of disaster mitigation, preparedness, response and recovery which is applied both vertically and horizontally within government;
- Limited emphasis on disaster risk reduction measures by government as well as the private sector; and
- Disaster recovery funding cannot be easily accessed and can take up to one year before being allocated after a disaster.

Disaster Management should, within this period, be focused on dealing with reducing the risk of the identified hazards and promoting a culture of risk reduction instead of only response and recovery.

The evaluation of local government fire brigade services against universal standards (SANS 10090) indicated that the state of the fire brigade services in the province is generally poor and very few fire brigade services are on par to address the fire risk within their communities. The challenge will be to:

- Support the fire brigade services function at local government level by assisting and advising local municipalities on how to provide effective and efficient fire services;
- Ensure standardisation of by-laws and legislation in the province; and
- Motivate Municipal Councils to prioritise fire brigade services within their IDPs.

## 2.5 Local Government and Housing Organisational Environment

### 2.5.1 Institutional Challenges

An analysis of the institutional context identified the following challenges as key priority areas:

#### a) Stakeholder Management

There is a critical need for the department to engage and manage stakeholders. Stakeholders were broadly divided into two categories namely non-governmental organisations and community based organisations representing communities, themselves, and secondly the private sector and international donor organisations. It was recognised that different competencies and skills sets are required in managing these two very diverse stakeholder categories. In this regard, the department established a sub-directorate within the housing component to properly manage this function.

#### b) Customer Relations and Communication

On the client facing front, our walk-in service centre has again raised the standards of delivery by assisting approximately 26 386 clients with a range of queries ranging from Subsidy Applications, Rental Tribunal Complaints, Waiting list information etc. During this period the department also attended to a number of queries relating to the Presidential Hotline which was launched in September 2010. However the development of an integrated call centre data management system remained a challenge.

Externally the department used different communication mediums to ensure that it reached the communities across the Province, by using the major mainstream newspapers as well as various community knock and drops. The Annual Fire and Flood Awareness Campaign has grown immensely over the past year, reaching approximately 3876 children in fire and flood prone communities across the province. The department continues to enhance its communication effort, but much work is still being done to ensure that the information which is provided is relevant and is understood by the recipient and feedback is received from the affected communities

#### c) Organisational planning, monitoring, reporting and evaluation

Monitoring was done through the implementation of the legislated strategic management framework for the public sector. An organisational programme performance management system was operationalised. This system builds on the current legislative reporting framework i.e. quarterly performance reporting to Provincial and National Treasury. This system includes resources dedicated to assessing the performance reports and holding the senior management team accountable for delivery on a quarterly basis. The system will be updated and aligned to ensure monitoring and evaluation of the new strategic objectives of the provincial government and the strategic plan of the department. Data integrity and performance auditing remained a challenge since it was only introduced and piloted during the financial year.

#### d) Project Management

The department did not have a fully fledged integrated project management system in place. The department identified the need to adopt a fully fledged project management approach particularly with in the Housing Branch. This need was further reiterated by the Modernisation Programme in line with the draft Provincial Government Strategic Objective six. The department started the process to ensure that it develops a project management office to drive and institutionalise project management within the human settlement branch. This included research into the development of a Project Management Unit (PMU). It is envisaged that the PMU will be established in the 2010/11 financial year.

#### e) Information Management

Institutional memory, data integrity and reporting remained a challenge. The department initiated projects to assess all its information and knowledge needs and established an integrated information management system which includes a departmental Intranet, a Virtual Resource Centre and Knowledge Centre (VRC/KC), and an Information Warehouse for both local government and housing.

The Master Systems Plan, which is the framework for the department's information management system, required significant revision and alignment with the government's current strategic objectives. This alignment will inform the Information Communication Technology (ICT) solutions required. Furthermore, the department's ICT infrastructure remained outdated and not geared towards the achievement of the provincial government strategic objectives and full development of the intranet and data warehouse.

#### f) Human Resources

In 2009/10 the Department was involved in the modernisation process which is a restructuring programme led by the Department of the Premier. In addition, the department was preparing for the split into two Departments which came into effect in April 2010.

## 2.6 Departmental revenue, expenditure, and other specific topics

### Collection of departmental revenue

The over collection in revenue (budget = R50, 845, 000) was mainly due to the implementation of the Enhanced Extended Discount Benefit Scheme (EEDBS) and the recovery of previous years' expenditure whereby unutilised subsidies were paid back to the Department. The estimates for own revenue were adjusted over the medium term expenditure framework (MTEF) to improve its credibility and to be in line with the actual collection of revenue.



All amounts in R'000

	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/2010 Target	2009/2010 Actual	% deviation from target
Non-tax revenue							
Commission on insurance	25	33	43	53	30	70	133.3
Other		2	1	390		9	
Transfers received		6 500	30	4 560			
Interest, dividends and rent on land	1 619	2 530	953	2 995	1 500	5977	298.5
Sale of capital assets						7	
Financial transactions (Recovery of loans and advances)							
Recovery of loans/sale of WCHDB properties	28 878	25 588	22 770	66 160	45 845	44951	(1.9)
Recovery previous years' expenditure	20 203	45 144	62 765	6 687	3 470	46315	1 234.7
<b>TOTAL DEPARTMENTAL RECEIPTS</b>	<b>50 725</b>	<b>79 797</b>	<b>86 562</b>	<b>80 845</b>	<b>50 845</b>	<b>97 329</b>	<b>91.4</b>

## 2.7 Departmental expenditure

All programmes and sub-programmes remained within their approved budgets.

The virements, as indicated in the appropriation statements, were approved and applied to utilise savings under a programme to cover over expenditure on another programme. This was done in terms of section 43 of the Public Finance Management Act (PFMA).

All amounts in R'000

Programmes	Voted for 2009/10	Roll-overs and adjustments	Virement	Total voted	Actual Expenditure	Variance
1. Administration	87 999		(158)	87 841	87 319	522
2. Housing	1 694 803		3 199	1 698 002	1 614 014	83 988
3. Local government	84 522		(3 041)	81 481	81 121	360
4. Theft and Losses						
<b>Total</b>	<b>1 867 324</b>			<b>1 867 324</b>	<b>1 782 454</b>	<b>84 870</b>

## 2.8 Transfer Payments

This section provides for funds that have been transferred to other institutions, provinces, municipalities, public entities, business enterprises and individuals and, therefore, does not constitute final expenditure by the department.

The Department complies with section 38(1)(j) of the PFMA which requires the Accounting Officer of the transferring department to ensure that written assurance is obtained from an entity that the entity implements effective, efficient and transparent financial management and internal control systems before transferring any funds to an entity within or outside government, or, if such written assurance is not or cannot be given, render the transfer of the funds subject to conditions and remedial measures requiring the entity to establish and implement effective, efficient and transparent financial management and internal control systems.

The details of all the transfers made by the Department are stipulated in Annexure 1A - H of the Annual Financial Statements.

## 2.9 Conditional Grants and earmarked funds

Grants were introduced in 1998/99 to support national priorities, particularly in the social services sector. They enable national priorities to be provided for in the budgets of other spheres of government. They are viewed as part of voted funds.

Name of Conditional Grant	Budget Receipts	Actual Receipts	Actual Expenditure	Deviation from (budgeted to Receipts and actual spending)	
	R'000	R'000	R'000	R'000	%
Integrated housing and human settlement development grant	1 581 425	1 581 425	1 497 437	83 988	5.3
<b>TOTAL</b>	<b>1 581 425</b>	<b>1 581 425</b>	<b>1 497 437</b>	<b>83 988</b>	<b>5.3</b>

Included in the above is an earmarked allocation of R400 million for the N2 Gateway project. All transfers were made by the national Department of Housing, as scheduled, into the accredited account of the Provincial Treasury. The conditions of the grant are stipulated in the grant framework as gazetted in DORA, 2009.

The Provincial Treasury indicated to the Department and the Auditor-General that the Department might have incurred irregular expenditure of R84, 760,000 on the payment of housing subsidies to municipalities. The matter arose from the fact that transfers to certain beneficiaries exceeded the appropriated and gazetted amounts in terms of the Adjustments Appropriations Act (Acts 3 & 8 of 2009), as well as section 43 of the Division of Revenue Act, 2009 (Act 12 of 2009). The Department is not in agreement with the Provincial Treasury view and the matter was escalated to the National Treasury for a decision. The response from National Treasury is still awaited. The actual performance against the grant is indicated under programme 2: Housing.

## 2.10 Capital investment, maintenance and asset management plan

### 2.10.1 Capital Investment

Not applicable

### 2.10.2 Maintenance

Most rental units, especially flat complexes are in need of some rehabilitation (upgrading) over the next three years to the amount of R7 million for upgrading and R3 million for day to day maintenance per year. The Department spent R9.544 million in the 2009/10 financial year on maintenance and upgrading of the rental stock. The maintenance expenditure is in line with the industry norm and work done was tested on the open market in line with government's procurement policies.

Maintenance and upgrading/rehabilitation are done in accordance with the three-year maintenance plan.

### 2.10.3 Asset Management

The Supply Chain Management (SCM) unit within the Department of Local Government and Housing issues the Department's assets with unique asset numbers for verification, reconciliation and location purposes. The movement on the asset register is disclosed as notes 29 and 31 of the Annual Financial Statements of the Department in Part 3.

The fixed properties of the former Western Cape Housing Development Board are separately disclosed in the financial statements of the Western Cape Housing Development Fund.

## 2.11 Programme performance

### Summary of programmes

A number of sectors have adopted uniform budget and programme structures that reflect the minimum number of programmes. The activities of the Department of Local Government and Housing are organised in the following three programmes:

Programme	Sub-programme
1. Administration	1.1 Office of the MEC
	1.2 Corporate Services
2. Housing	2.1 Housing Needs, Research and Planning
	2.2 Housing development
	2.3 Housing Asset Management/ Property management
3. Local government	3.1 Local governance
	3.2 Development and planning

**Programme 1: Administration**

**Purpose:** To provide strategic leadership and management and effective support services in the Department in accordance with all applicable acts and policies.<sup>7</sup>

**Programme 2: Housing**

**Purpose:** To plan, facilitate and develop integrated and sustainable human settlements.

Programme 2: Housing						
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target			
			Target	Actual	Comments/ Progress	
2.1	Housing needs research and Planning	To conduct research on demand for housing	Number of research projects conducted	2	3	3 projects completed: 1 WC Gap Housing Market Analysis 2. Selection Policy & Prac. 3. Land Release Project. In addition a no. of key research projects were initiated. Including the Housing Demand Database. New Strategic direction created additional research priorities and challenges.
		To capacitate and support municipalities on housing delivery	Number of training workshops provided to municipalities	5	9	The purpose of these workshops was to assist municipalities in developing their Human Settlements Support Plans & to ensure that it is aligned to their IDP.
		Number of visits executed to support municipalities	30	56	Although the visits totaled 56, only twenty-eight municipalities were reached. (Multiple follow up visits). The outstanding municipalities are: Overberg and Eden district municipalities who don't have housing responsibilities.	
		Number of municipalities accredited	-	-	Due to a policy shift the department provided support to COCT to receive level 1 and 2 accreditation. However, the level 1 and 2 accreditation was not granted by the end of the financial year. This process should be concluded in the new financial year with the view to ensure level 3 accreditation by 2013/14.	
2.2	<b>Housing Development Financial Interventions</b>					
2.2.1.1	Individual Housing Subsidies R0- R3500	To provide for x number of individual subsidies	Number of Properties transferred or mortgage bonds registered	4	454	
2.2.1.2	Housing Financed linked Individual subsidy programme R3501 – R7000	To provide for x number housing financed linked individual subsidies	Number of Properties transferred or mortgage bonds registered	50	24	There has been a slow down in approvals of credit linked subsidies due to the National Credit Act, and bank lending criteria.
2.2.1.3	Relocation Assistance <sup>8</sup>	To provide for x number of relocation subsidies	Number of relocation subsidies approved and paid including in situ rightsizing	-	-	
2.2.1.4	Enhance Extended Discount Benefit Scheme	To provide for x number of transfers to Enhanced Extended Discount Benefit Scheme	Number of transfers of ownership registered	1 000	1341	The over performance is a result of accelerating the disposal of non-core rental stock to owners who have been renting for many years.
2.2.1.5	State Asset Maintenance Programme	To provide for x number maintenance contracts	Number <sup>9</sup> of maintenance contracts concluded and finalised	-	-	

<sup>7</sup> Performance tables for programme 1 are not prescribed for the financial year.  
<sup>8</sup> Nationally prescribed indicator, the department did not plan any delivery i.r.o this indicator  
<sup>9</sup> Ibid 1

Programme 2: Housing						
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target			
			Target	Actual	Comments/ Progress	
2.2.1.6	Rectification of RDP stock 1994-2002	To provide for x number of Rectified RDP houses	Number of Houses rectified	1 000	625	The reason for the under performance is that this programme is being incrementally closed down. The target should have been lower. This policy decision was taken after the target was set.
2.2.1.7	Rectification of housing stock pre 1994	To provide for x number of Rectified houses	Number of Houses rectified	-	-	No programme in place.
2.2.1.8	Social and Economic Facilities	To provide for x number of facilities	Greenfields: Number of completed social and economic amenities for each project Existing Towns: Number of completed social and economic amenities for each project.	8	0	The reason for the under performance is that the applications that were submitted by municipalities did not comply with the policy and therefore could not be approved. This programme was new, therefore municipalities were not properly capacitated to comply timeously. Planning was completed for 9 projects and Conditional approval was granted for 1 of these projects.
2.2.1.9	Accreditation of Municipalities (Operational Support)	To provide Operational Support to x number Accredited Municipalities	Number of Accredited Municipalities supported	1	0	There were no municipalities accredited during 2009/10 in this province. The department is in the process of granting level 1 & 2 accreditation to the City of Cape Town.
2.2.1.10	Accreditation of Municipalities	To provide for x number of programmes approved and funded under the accreditation of Municipalities	Number of programmes approved and funded	1	0	Same as above.
2.2.1.11	Operational Capital Budget	To provide for x number of National Housing Programmes that will benefit from the Operational Capital Budget	Number of National Housing Programmes benefitted	All	All	3% of the IHSD Grant was set aside to benefit and support all the housing programmes R41 million of the R 47 million set aside was spent.
2.2.1.12	Unblocking of Blocked Projects	To provide for x number of blocked projects under each National Housing Programme	Number of projects unblocked	-	-	
2.2.1.13	Housing Chapters of IDP's	To provide for x number of quality Housing Chapters of IDP's formulated in accordance with Housing Policies	Process indicators: Number of municipalities where provincial officials actively participated in and supported housing planning as part of the IDP.	30	28	The outstanding municipalities are: Overberg & Eden who do not have a housing responsibility.
			Number of housing projects in the Housing Chapter of the IDP that forms part of integrated programmes that also draws investment support from other Departments (built environment support programme)	1	-	The target should have been 0, this indicator is reported below.
			Number of Housing Voices identified and resourced	30	28	Overberg and Eden do not have a housing responsibility and therefore did not have dedicated officials for housing. <sup>10</sup>

<sup>10</sup> Housing Voices refer to the number of dedicated housing officials in municipalities. This is a nationally prescribed indicator.

Programme 2: Housing						
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target			
			Target	Actual	Comments/ Progress	
		Number of housing projects in the Housing Chapter of the IDP that provides for social and economic support facilities funded from the National Housing Programme.	8	-	The funding for socio-economic facilities is part of the grant allocations to municipalities. The current housing demand resulted in the municipalities prioritising provision of houses rather than spending on socio-economic facilities.	
2.2.2	<b>Incremental Housing Programme</b>					
2.2.2.1	Project-Linked Subsidies (current commitments)	To provide for x number of Project linked Subsidies	Number of serviced sites provided.	1 000	3708	This indicator needs to be read in conjunction with the IRDP indicator. The IRDP is a new programme that has been developed to replace the PLS programme. However, the department was not ready to implement the IRDP, therefore more sites were delivered under the PLS to compensate for the under performance in respect of the IRDP.
			Number of Houses built and delivered to beneficiaries	10 000	6146	
2.2.2.2	Integrated Residential Development Programme: Phase 1 Planning and Services	To provide for x number of serviced sites	Number of stands serviced and delivered in a proclaimed township	6 000	-	The programme was new and put in place to replace the PLS programme. The department was not fully prepared to implement the programme and the delivery of serviced sites was completed under other programmes and indicators such as PLS, Social and Rental housing, EHA, etc.
			Number of sites for other use	100	-	
2.2.2.3	Integrated Residential Development Programme: Phase 2 Housing Consolidation	To provide for x number of houses constructed	Number of houses transferred to beneficiaries	-		
2.2.2.4	Peoples Housing Process	To provide for x number of PHP Subsidies	Number of approved beneficiaries participating in the project	6 000	6541	
			Number of Establishment grants allocated	37	21	Less grants were paid out than planned, the planned targets were inaccurate.
			Number of Facilitation Grants paid	37	11	Less grants were paid out than planned, the planned targets were inaccurate.
			Number of stands serviced and transferred	-	0	
			Number of houses completed	6 000	6411	
2.2.2.5	Informal Settlement Upgrading	To provide for x number of Informal Settlement Upgrading grants to Municipalities or projects approved if province is the developer.	Number of households assisted by Municipality	10 000	10535	This target includes planned approvals for sites as well as actual number of sites completed. 3591 sites were completed and 6944 new sites were approved.
			Number of households assisted by Provinces	-	-	
2.2.2.6	Consolidation Subsidies (current commitments)	To provide for x number of Consolidation Subsidies	Number of completed houses.	-	-	
2.2.2.7	Emergency Housing Assistance (Current commitments)	To provide for x number of Emergency Housing Assistance grants to beneficiaries	Number of households assisted by the specific project	4 000	6104	This indicator is utilised to report on fire kits issued by municipalities to the victims of fires and floods. It is difficult to set a planned target for emergencies. This target is based on historical baseline data.

Programme 2: Housing						
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target			
			Target	Actual	Comments/ Progress	
2.2.2.8	Emergency Housing Assistance (planned projects)	To provide for x number of possible Emergency Housing Assistance grants to beneficiaries Programme	Number of households assisted	1500	2190 (TRA Sites)& 1667 (TRA Units)	
2.2.3	<b>Social and Rental Housing Programmes</b>					
2.2.3.1	Institutional Subsidies	To provide for x number of Institutional Subsidies to qualifying beneficiaries	Number of households assisted in each project	3	444 (sites)	The target was incorrectly set at 3. The target was recorded as number of projects instead of number of units.
					344 (units)	
2.2.3.2	Social Housing: Operational Support	To provide for x number of Operational Support grants to Social Housing Institutions	Number of Housing Institutions Supported	-	-	
2.2.3.3	Social Housing: Capital grants for rental housing	To provide for x number of units to be constructed by Social Housing Institutions	Number of beneficiary households assisted	360	450 (sites) <sup>11</sup>	
					91 (units)	
2.2.3.4	Higher density individual Ownership	To provide for x number of Higher Density Individual Ownership units constructed	Number of units transferred <sup>12</sup>	-	-	
<b>Sub-programme 2.3. Housing Asset Management</b>						
2.3.1		To provide for the transfer of Stock	No. of units transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme	1 000	1341	The over performance is due to the allocation of the EEDBS to debtors that were dealt with through the sanitation process and were found eligible.
2.3.2		To provide for the Sale and transfer of Rental Stock	No. of units to be sold and transferred to beneficiaries	600	1276	Strategic shift resulted in a greater emphasis on sale and transfer of units.
2.3.3		Retention of State Rental stock	Number of units to be retained as state rental units	552	552	
2.3.4		Devolution of housing assets	No. of rental units and properties devolved to municipalities	2	3	Strategic shift resulted in a greater emphasis on devolution of assets to municipalities. Properties in Bonnievale, Hawston and Calitzdorp were devolved to municipalities.
2.3.5		To reduce total outstanding debt	Amount of debt reduced per financial year (R'000)	27 200 mil	9,406 mil	Total debt/ capital, debtors to the value of 42.284mil reduced by EEDBS and write-offs.
2.3.6		To reduce the number of debtors	No. of debtors reduced per financial year	1 000	1 967	The over performance can be attributed to a strategic shift which focused on reduction and sanitation of debtors.
2.3.7		Verification of occupancy and rental agreements for financial years 2006-2009 and one year beyond	Number of occupants and rental agreements	1 600	1 600	
		Enhance the life span and value of assets through maintenance and upgrading	Amount spent on maintenance and upgrading. (R'000)	15 000	9,544	The budget is estimated based upon a historical baseline. However, with the strategic shift and increased emphasis on devolution and sale of assets the maintenance expenditure decreased.

11 In addition a further 186 sites and 88 housing units were delivered under the CRU.  
12 National prescribed indicator; therefore must be reflected even though there was no target.

Programme 2: Housing						
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target			
			Target	Actual	Comments/ Progress	
2.3.8	To increase housing options by releasing suitable land for human settlement development.	Number of units created through land release.	300	-	The under performance can be attributed to the unfavourable economic climate and stringent requirements by banks to grant credit, as well as delays in obtaining planning approvals.	

Programme 3: Local Government

**Purpose:** To promote and facilitate viable and sustainable developmental local governance, to promote integrated and sustainable planning and to enhance community participation in the processes.

Programme 3:						
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target			
			Target	Actual	Comments/ Progress	
<b>Sub-sub programme 3.1.1: Municipal administration</b>						
3.1.1.1	Municipal Legislation	To provide management and support services to local government within a regulatory framework, to ensure legislative compliance	Number of Municipalities assessed for compliance with relevant legislation	30	30	This refers to the institutional compliance of municipalities.
		Promulgate essential provincial local government standard by-laws to promote good governance	Number of Standard by-laws promulgated	1	0	Target of Property Rates Standard By-law not met. Standard By-law completed but in process of finalising the Draft after workshoping it in March 2010.  Draft Public Drunkenness Standard By-law ready to publish for public comment.  Draft Events Standard By-law in final stages of completion.
		Assessment and corrective action as required to promote good governance including Section, 106 and 139	Number of assessments and diagnostic investigations undertaken	2	3	Assessments on good governance and diagnostic investigation were carried out in the Stellenbosch Municipality, Prince Albert Municipality, and Oudtshoorn.
		Support municipalities with implementation of anticorruption strategy to combat corruption (as and when required).	Number of Municipalities supported	10	13	29 Anti-corruption interventions provided to 13 Municipalities.
	Intergovernmental Relations	To provide management and support services to local government within a regulatory framework	Number of municipalities with functional IGR structures	5	5	The following municipal IGR structures were functional: Overberg, West Coast, Central Karoo, Cape Winelands, and Eden District Coordinating Forums.
		Effective functioning of IGR structures (Provincial Advisory Forum and Provincial Advisory Forum Technical Committee)	Number of meetings per forum	8	1	Only one PAFTECH meeting was held on 2 June 2009. An executive instruction was given to the department to cancel all future PAF and PAFTECHs and the Department of the Premier assumed responsibility for provincial IGR ie PCF.
			Number of best practice initiatives presented at an IGR engagement	4	1	See the above comment. PAFTECH meetings have been dissolved, hence there was only one best practice initiative presented.
			Number of progress reports on implementation of PAF & PAFTECH Resolutions	8	1	See above, PAFTECHs were dissolved. There was only one progress report on the implementation of PAFTECH.

Programme 3:							
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target				
			Target	Actual	Comments/ Progress		
			Number of government departments/agencies participating on IGR structures	12	5	See above, PAFTECHs were dissolved hence this target was not fully met.	
	Integrated Development Planning	Ensure that municipalities develop credible IDPs	Number of Municipalities with credible IDPs	30	28	The two municipalities which did not have credible IDPs were, Kannaland Municipality, and Overberg District Municipality.	
			Number of municipalities supported on the development of the IDPs	8	12	The following municipalities were assisted: Drakenstein, Beaufort West, Theewaterskloof; Overberg, Matzikama, Oudtshoorn, Cape Winelands, and Central Karoo, Eden, City of Cape Town, Laingsburg, and Bitou municipalities	
		Inter and intra departmental synergy within the presidential nodes	Number of projects coordinated	4	2	The following projects were coordinated: Liberty Life Promenade Mall Upgrade and Kuyasa Clean Development Mechanism (CDM) Project. Presidential Nodal projects are being mainstreamed in the City and in the Central Karoo.	
<b>Sub-sub Programme 3.1.2 Public Participation</b>							
3.1.2	Public Participation	Deepening of governance through Public Participation	Number of municipalities with functional Ward Committees <sup>13</sup>	150	25	There are 151 functional ward committees in 25 municipalities.	
			Number of CDWs deployed in municipalities	200	198	203 CDWs were employed of which 3 were contract appointments. During the year 3 CDWs passed away and 2 were dismissed.	
			Number of municipalities where full CDW programmes are implemented	23	23		
			Number of Imbizo's held by MECs, and Mayors & Councillors.	1	5	The over performance can be attributed to National, Provincial and Local political policy priority changes which required public participation. The following Imbizo's were held: <b>National Imbizos</b> - Safety and Security in Mitchells Plain; - Service delivery Imbizo held by Minister Shiceka in Oliver Tambo Hall; <b>Provincial Imbizos</b> -Minister Madikizela held Imbizo for human settlement delivery issues in Langa and Khayelitsha. <b>Mayoral Imbizos</b> were held in Matjiesfontein and Laingsburg.	
			Number of Imbizo's Supported	1	5	All the above Imbizos were supported by the department through the CDW programme.	
			Number of citizens' satisfaction surveys conducted	6	6	The surveys were done in 6 municipalities in the Eden and Central Karoo Districts (George, Knysna, Oudtshoorn, Beaufort West, Laingsburg and Prince Albert.)	
			Conduct & facilitate information sessions for communities to create awareness of government services	Number of workshops facilitated	200	252	The increased performance can be attributed to increased requests for info-sessions. The department facilitated different workshops, for example, workshop on how to apply for an ID and Birth Certificate; Indigent subsidy information; and Know Your Service Rights.
			Facilitate intersectoral partnerships	Number of Partnerships with relevant stakeholders	14	14	The Department entered into Service Level Agreements with the Departments of Agriculture, Social Development, Education, and Home Affairs, as well as N2 Rural Development, Gender Education programme, SAN-PARKS, SASSA, Public Protector, Chrysalis Academy, Hopefield Women on the Move, Testimony Services, Uitkyk Bejaarde Klub, and Choices for Life.
			Support socio economic projects in partnership with relevant stakeholders	Number of successful projects supported	32	32	The department supported projects such as Food gardens, and EPWP skills development workshops.

13 The target was incorrectly set; it should have reflected 25 municipalities.

Programme 3:							
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target				
			Target	Actual	Comments/ Progress		
		Providing support to ward committees to ensure effective functioning	Number of training and capacity building programmes provided for ward committee members (per district/ metro)	6	7	Ward Committee Training was provided to George, Theewaterskloof, Laingsburg and Prince Albert. In addition, the department conducted Community Based Planning Training in Mossel Bay, Cape Agulhas, and City of Cape Town.	
		Monitor ward committee functionality	Annual assessment on ward committee functionality	1	1		
<b>Sub-sub Programme 3.1.3: Capacity Development</b>							
3.1.3	Capacity Development	Assist municipalities with organisational development and institutional transformation	Number of Municipalities with skills plan adopted for targeted training of municipal officials	30	30	All municipalities skills plans have been evaluated and assessed by LGSETA.	
		Facilitate implementation of municipal support plan in line with the 5 KPAs	Number of municipalities supported with enhanced PMS to increase performance	19	20	PMS support was implemented in the following municipalities: Central Karoo (DM), Prince Albert, Beaufort West, Laingsburg, Drakenstein, Witzenberg, Swellendam, Overberg (DM), Swartland, West Coast (DM), Saldanha Matzikama, Bitou, Knysna, Mosselbay, Hessequa, Breede valley, Theewaterskloof, Breederiver, and Cape Winelands (DM).	
			Number of councillor leadership training programmes implemented for improved governance per district	6	1	UWC executive leadership training was provided to councillors in all districts and the metro, rather than separate training per district.	
			Number of municipal support plans developed for municipalities for targeted support. (District support plans)	5	5		
			Number of municipalities where shared services are implemented to enhance service delivery (per district)	3	2	Shared services implemented in the Eden District i.r.o. Call Centre and IT services, and in the Central Karoo.	
			Number of municipalities supported with the implementation of the MPRA to enhance revenue collection	15	18	The following Municipalities were supported: Saldanha Bay, Theewaterskloof, Central Karoo (DM) Beaufort-West, Laingsburg, Hessequa, Bergrievier, Cape Agulhas, Breede Valley, City of Cape Town, Drakenstein, Kannaland, Stellenbosch, Witzenberg, Swellendam, George, Breederiver Winelands, and Bitou.	
		Municipal Performance Monitoring Reporting and Evaluation	Development and implementation of performance management systems	Number of Institutional Performance Management Systems in place	30	30	This indicator refers to the minimum legal compliance by municipalities in respect of PMS.
				Number of section 57 managers with signed employment contracts	150	156	
Promoting accountability and good governance	Number of municipal quarterly performance reports		4	4			
	Number of municipal annual performance reports <sup>14</sup>		1	1			
		Number of oversight reports submitted	1	0	This was a new nationally prescribed indicator. It amounted to a duplication of the section of 47 report, and was therefore incorporated as part of that report.		

<sup>14</sup> This refers to the section 47 report.

Programme 3:							
Sub-Programmes	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target				
			Target	Actual	Comments/ Progress		
		Number of municipalities with functional performance audit committees	30	16	The following municipalities did not have functional audit committees: Cape Agulhas, Kannaland, George, Hessequa, Breede Valley, Drakenstein, Saldanha Bay, Cederberg, Bergrievier, Laingsburg, Prince Albert, Beaufort West, Swellendam, and Eden district municipality.		
		Number of municipalities with Internal Audit Units	30	30			
<b>Sub Programme 3.2: Development and Planning</b>							
3.2.1	Municipal Infrastructure	Support municipal comprehensive infrastructure planning at local level	Number of Municipalities that have registered projects on MIS	30	28	28 Municipalities in the Western Cape have registered projects. The City of Cape Town receives funding directly under MIG Cities and therefore is not required to report to the Department. The Overberg District Municipality does not receive any MIG funding.	
		Monitoring the implementation of the MIG	Number of Municipalities submitting monthly reports on MIG performance	30	28	The target should have been twenty-eight municipalities. All twenty-eight municipalities submitted monthly reports on MIG performance.	
			Number of Municipalities that have been supported on MIG spending	30	28	The target should have been twenty-eight municipalities. All twenty-eight municipalities supported on MIG spending.	
		Provision of free basic services to all households	Number of Households with access to basic services (water, electricity, and sanitation)* <sup>15</sup>	-	-		
			Number of Households with access to free basic services <sup>16</sup>	-	-		
			Number of Municipalities that have an indigent register for the provision of free basic needs	30	28	The two outstanding municipalities are: (1) Overberg District is only responsible for 200 people and will fall under Cape Agulhas Local Municipality. (2) Cape Winelands District does not have a District Management Area	
		3.2.2	Disaster Management and Fire Brigade Services	Ensure all Municipalities have applicable disaster management plans and frameworks	Number of Municipalities supported in the development of disaster management plans and frameworks	6	8
To establish integrated institutional capacity within the Province to enable effective implementation of disaster risk management policy and legislation.	Management plans. Number of meetings of the Intergovernmental Disaster Management Structures (IGDMC, (PDMAF, and DMDTC)			6	4	During the year the department realised it could achieve the same results in four meetings as opposed to six. The IGDMC issues were raised at the PCF as the composition of both structures was the same.	
	Number of generic disaster contingency plans (Phase 2)			1	1		
Coordination, monitoring and support of the post disaster management recovery function	Number of disaster incident support initiatives			4	1	The planned target is an estimate based on historical data. During the year, the province experienced only one declared disaster i.e. drought in Eden, which it supported.	

<sup>15</sup> This is a nationally prescribed indicator, therefore it must be included even though there is not target.  
<sup>16</sup> Ibid 15





Programme 3:					
Sub-Programmes	Outputs	Outputs	Output Performance Measures/Service Delivery indicators	Actual Performance Against Target	
				Target	Actual
		Monitoring compliance of the Fire Brigade Act to reduce the risk and to ensure effective response to fires	Number of Provincial fire preparedness reports compiled	1	1
			Number of people accredited (investigate) in terms of the Act	-	-

## PART 3: ANNUAL FINANCIAL STATEMENTS





## PART 3: ANNUAL FINANCIAL STATEMENTS

### WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8

#### ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2010

TABLE OF CONTENTS	PAGE
Report of the Audit Committee	35
Report of the Accounting Officer	37
Report of the Auditor-General	47
Accounting Policies	51
Appropriation Statement	57
Notes to the Appropriation Statement	61
Statement of Financial Performance	63
Statement of Financial Position	64
Statement of Changes in Net Assets	65
Cash Flow Statement	66
Notes to the Annual Financial Statements	67
Disclosure Notes to the Annual Financial Statements	77
Annexures to the Annual Financial Statements	85

### WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING VOTE 8

#### REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2010

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

#### Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, the Department of Local Government and Housing is served by the Governance & Administration Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least four times per annum as per its approved terms of reference. During the current year eight meetings were held.

Name of Member	Number of Meetings Attended
Mr P Jones (Chairperson) (Contract expired 31 December 2009)	7
Mr Z Hoosain	8
Mr A Amod (Chairperson since 1 January 2010)	8
Mr R Kingwill (Contract expired 31 December 2009)	8
Dr R Lalu (Contract expired 31 December 2009)	8
Ms J Gunther (Contract commenced 1 January 2010)	N/A*
Mr A Seymour (Contract commenced 1 January 2010)	N/A*
Mr K Larkin (Contract commenced 1 January 2010)	N/A*

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

\*No meetings were scheduled during this period.

#### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1) (a) of the PFMA and Treasury Regulation 3.1**.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

#### The effectiveness of Enterprise-Wide Risk Management (ERM) and Internal Control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action. From the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General South Africa, no material deficiencies in the system of internal control were noted. Although the system of internal control applied by the Department is adequate, improvement is required within the general IT control environment.

The system of enterprise risk management applied within the Department was deemed to be adequate.

#### Information Technology

The Audit Committee previously reported on the growing crisis of IT within the Provincial Government and the limited progress that has been made towards implementation of the turn-around strategy to address the IT-related risks facing the Province. Until the turn-around strategy to improve the governance of IT has been fully implemented, the risks facing the department will not be mitigated to an acceptable level.



WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

REPORT OF THE AUDIT COMMITTEE  
for the year ended 31 March 2010

The Audit Committee has been informed that IT Services have received priority consideration at Cabinet Level for the implementation of the IT Services Blueprint.

**The quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act**

The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

**Evaluation of Financial Statements**

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and management's response;
- reviewed the Department's processes for compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions regarding the Annual Financial Statements and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

**Internal Audit**

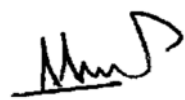
In the year under review, the Shared Internal Audit unit experienced challenges relating to capacity and change management which impacted on its ability to achieve its plan. The Audit Committee acknowledged these challenges and in conjunction with the Accounting Officer agreed to a revised Internal Audit Plan. The Audit Committee will continue to monitor progress to ensure that Internal Audit adds value to the Department and achieves optimal performance.

**Auditor-General South Africa**

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

**Appreciation**

The Audit Committee wishes to express its appreciation to the Officials of the Department, Provincial Treasury, the Auditor-General South Africa and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.



Mr A Amod  
Chairperson of the Governance and Administration Cluster Audit Committee  
Date: 12 August 2010

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

Report by the Accounting Officer to the Executive Authorities and the Members of the Provincial Parliament of the Western Cape.

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

The mandate of the Department of Local Government and Housing is to build and strengthen the ability of municipalities to implement their constitutional mandate and to enable sustainable development and service delivery. In carrying out this mandate, the Department is guided by the provisions of the Five Year Local Government Strategic Agenda (Five-year LGSA).

- 1.1 Processes to split the Department of Local Government and Housing into two separate Departments, viz. the Department of Human Settlements and the Department of Local Government, were successful due to tight management and control. Despite the fundamental change processes, performance targets were largely achieved by the Department of Local Government and Housing. This is in contrast to the normal expectation of failed delivery due to the impact of transformation processes. As a result of the split and the beginning of government's new five year term, the department had to develop a Strategic and Annual Performance Plan for each department with the current human resources.

The Department initiated a successful efficiency programme, and it can be reported that significant savings were realised on non-core spending items. The Department remains committed to the objectives of this programme into the future as it advances frontline service delivery.

The South African Human Rights Commission and the Open Democracy Advice Centre annually audit all the implementation and supporting administrative processes in terms of the Promotion of Access to Information Act, Act 2 of 2000, at all National Departments, Provincial Departments, Municipalities and parastatals. After completion of this process, the 2009 Openness and Responsiveness Award (Provincial) was awarded to the Department of Local Government and Housing.

- 1.2 In supporting municipalities with regards to housing development planning, the Department distributed Vulnerability Index Information to municipalities, to guide planning. As a result, George Municipality adjusted its focus and intervened with an Emergency Housing Programme (EHP) response to address crucial needs to improve the vulnerability status of informal settlements.

In addition, the Sustainability Criteria (SC) was mainstreamed into planning, to guide planning, in order to meet social, economic and environmental requirements for human settlement development. The SC is also used as a planning and assessment tool for new projects. More over, the Housing Statistical System database was developed and spatialized to a suburb level.

The Department initiated a programme aimed at supporting municipalities to strengthen the processes through which they select eligible households for housing subsidies. A rapid research project was conducted on how seven municipalities in the Western Cape select their housing beneficiaries. Informed by this research, the Department began an investigation on how improvements could be made. The Department is currently applying the lessons learned from the international literature on targeting to the Western Cape. A set of guidelines to assist municipalities to prioritise households for subsidies is being developed and will be released in 2010/11. The Department appointed a service provider in March 2010 to undertake a ten month research project, which is aimed at strengthening the collection and management of housing demand data used by municipalities to select beneficiaries for housing projects. The first phase of the project (to be completed in June 2010) assesses the housing demand data collection and management systems and practices.

Informed by the findings of phase 1, phase 2 will focus on the following three goals:

- Developing a staged strategy to support municipalities to improve their data collection, management systems and processes at municipal level;
- Implementing the pilot stage of the strategy; and
- Developing and setting up a provincial-level database on which municipalities can load their housing demand data when it is of sufficient quality.

The Department also undertook research aimed at understanding demand and supply features of the "gap market" in the Western Cape, and how government could better assist this market. In partnership with the research organisation, Urban LandMark, the Department developed a tool through which public land release projects and programmes could be assessed. This tool was applied to the Department's land release projects. The research work with Urban LandMark is continuing in 2010/11. The project focuses on developing decision making tools for public land release agencies to assist them to determine the most appropriate land use for the parcels they release.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010**

In achieving its strategic goal of accelerating the provision of human settlements that promote social, economic and spatial integration and are economically, environmentally and socially sustainable, the department has delivered 16,566 houses and 12,388 sites. This is supported by the 95% (R1,497,000) spending of the I.H.H.S.D Grant budget of R1,581,425.

Furthermore the department unlocked the delivery hurdles on the N2 Gateway by spending R180,766,000 against the planned expenditure of R250,000,000. In improving housing delivery, the Department took over the role of developer and all projects are ceded and managed in-house. In addition the department launched the Drommedaris Social Housing project and approved ten Community Residential Unit (CRU) projects.

In reducing the Department's liability and promoting individual home ownership, the Department managed, through the Enhanced Extended Discount Benefit Scheme (EEDBS), to allocate 1 341 subsidies to beneficiaries.

During the 2009/10 financial year, the Department held four training and information sessions on Programmes of the Department of Economic Development and Tourism and those include: Red Door, LED & Die Plek Plan for the project officers of the Regional Land Claims Commission (RLCC) - Western Cape, representatives from Communities and the City of Cape Town as part of the capacity building component of the restitution programme. The Department also held a training session for the same target group on GIS matters to assist in understanding the outstanding Land Claims and how to settle them.

The Department, in the 2009/10 financial year, provided ongoing support to municipalities to ensure administrative stability as a means to accelerate service delivery. The Department supported twenty municipalities with the implementation and/or enhancement of their Performance Management Systems. Eighteen municipalities were supported with the implementation of the Municipal Property Rates Act.

Furthermore, the Department supported the second phase for the GIS in Breede Valley municipality, as well as the investigation and implementation of decentralised municipal services. In partnership with the DBSA, hands on support was provided to Kannaland, Matzikama; Bergrivier; Cederberg and Saldanha Bay Municipalities through the deployment of finance, planning and engineering expertise.

An Executive Councilor Leadership Programme was provided to councilors in partnership with South Africa Local Government Association (SALGA).

In providing legislative support and advice to municipalities, the Department established the legislative and Constitutional Task Team, and developed the Privileges and Immunities Draft Bill. In addition, the department also finalised the Western Cape Rationalisation of Local Government Law bill.

Furthermore, the Department conducted twenty nine Anti-Corruption Interventions at thirteen municipalities regarding:

- Good Governance training;
- Ethics management training;
- Compilation of Anti-Corruption Strategy and Implementation plans; and
- Anti-Corruption Community orientation sessions.

1.3 The department successfully dealt with non-compliance in the Stellenbosch municipality.

To promote effective and efficient planning, the Department is proud to mention that it is the first Province in the country to roll out the IDP (Integrated Development Plan) Learnership Certificate Programme. To ensure that municipalities develop credible IDPs, the Department reconceptualised the third generation IDPs, rolled out Community Based Planning in nine municipalities, and assessed twenty eight IDPs as credible in terms of the Provincial Credibility Framework and thirty municipalities adopted their IDPs. In addition, the Department, in facilitating effective Inter-Governmental Relations (IGR), revived District Coordinating Forums (DCF) and developed the directory of provincial officials.

The Department successfully co-ordinated and hosted five district ward committee summits, as well as the Provincial Public Participation Dialogue in the 2009/10 financial year. A working document that will measure and assess Ward Committee/Forum functionality is currently in development.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010**

Moreover, the Department conducted fifty "CDW (Community Development Workers) Kiosk" marketing campaigns, reaching ± 5 000 people during November 2009 – March 2010, across the province, to market the CDWs in their respective Wards. CDWs assisted the Department of Social Development and Presidency by implementing the "War against Poverty" campaign reaching ± 11 000 people in the Cape Winelands area.

Ten CDWs assisted with the Xenophobia challenges in the De Doorns area, with the Area Manager as part of the re-integration team. CDWs successfully assisted the Department of Agriculture in initiating food gardens across the province and conducted and completed public participation engagements with stakeholders.

In the 2009/10 financial year the Directorate Community Development Worker Programme (CDWP) created twenty two CDW supervisor posts. Due to funding constraints, only ten of the Supervisor posts may be filled. CDW Supervisors will enhance the Directorate's capability to effectively manage the Community Development Workers. In addition, the directorate initiated and implemented a new reporting template and verification registers for CDWs that can quantify and verify at least ± 5 000 issues per month, to ensure credible reports.

The Eden District has been gripped by the worst drought in one-hundred-and-thirty-two years. The Provincial Disaster Management Center (PDMC) worked closely with Mossel Bay, George, Knysna and Bitou municipalities to effectively deal with the drought. The PDMC has been able to mobilise R195 million in drought relief funding and this funding is being used to implement pioneering projects, Beaufort-West also received funding to assist. Knysna Municipality installed its first desalination plant in Sedgfield, and more desalination plants will be built in Bitou and in Knysna. The coastal municipalities are implementing water recycling projects, and in the future twenty percent of their water will come from these projects.

The fire and flood awareness campaign is a priority project for the department and aims to raise awareness of fire and flood safety throughout the province. The 2009 campaign was held over a one month period in the form of a poetry competition (2 - 20 November 2009), as well as an educational industrial theatre road show (16 November 2009 - 2 December 2009). The road show was an immense success; the theatre play consisted of four characters and appealed to a diverse group of learners. The learners appreciated the play and showed an interest in the information about safety tips and the emergency number.

The PDMC, also introduced a Disaster Management Mascot, ("Gerry the Giraffe") to teach the children about the dangers of fires and floods and to inform them what they should do if a disaster occurs. "Gerry" has a long neck and spots disasters from far away. This campaign reached thirteen Schools and 3 876 learners over one month.

The PDMC in collaboration with the Paraffin Safety Association of Southern Africa (PSASA) rolled out seven regional "Train the Trainer" workshops throughout the province. The purpose of these workshops was to train trainers who will be able to train community members in the safe use of paraffin.

The United Nations International Strategy on Disaster Risk Reduction (UN/ISDR) campaigns are organised annually for commemoration on the 2nd Wednesday of October since the adoption of the Hyogo Framework for Action during the world conference on Disaster Reduction held in 2005. On 14 and 15 October 2009 two hospitals conducted simulated evacuation exercises to prepare health facilities in the Western Cape for possible disasters. These simulated exercises were held to commemorate the start of the UN/ISDR week. Role-players were the PDMC, the Department of Health and the City of Cape Town. Both public and private hospitals participated in these exercises. The Netcare Christiaan Barnard Memorial Hospital and the Western Cape Rehabilitation Centre were selected to host the 2009 campaign with the theme being "Hospitals Safe from Disasters: Reduce Risk, Protect Health Facilities and Save Lives". In an effort to respond pro-actively to Disaster Management, the Western Cape was the only Province to perform these evacuation exercises during the ISDR campaign. This awareness drive doubled the efforts to protect health facilities and ensure that they remain fully functional during (and in the aftermath of) a disaster.

The PDMCs were also responsible for disaster planning for the 2010 FIFA World Cup Event. The world cup places huge stress on supplying services such as water, electricity, health and transport etc. The PDMC has, together with all municipalities and relevant stakeholders, identified the relevant risks and implemented plans to reduce those risks.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010**

**General view on spending for the financial year**

	2009/10	2008/09
<b>Final appropriation</b>	<b>R'000</b>	<b>R'000</b>
Total	1 867 324	1 615 814
1.5 Administration	87 841	96 490
Housing	1 698 002	1 442 901
Local government	81 481	76 423
<b>Under-spending</b>	<b>R'000</b>	<b>R'000</b>
Total	84 870	179
Administration	522	-
Housing	83 988	179
Local government	360	-

All programmes and sub-programmes remained within their approved budgets. The reasons for the under-spending are discussed under 'Notes to the appropriation statement'. The virements, as indicated in the appropriation statements, were approved and applied to utilise savings under a main division to cover over expenditure on another main division. This was done in terms of Section 43 of the PFMA.

The Provincial Treasury indicated to the Department and the Auditor – General of South Africa that the Department might have incurred irregular expenditure of R84,760,000 on the payment of housing subsidies to municipalities. This opinion is based on claims from some municipalities on housing delivery that were paid by the Department in excess of the indicative amounts that were published in the Adjustments budget. The Department is not in agreement with the Provincial Treasury and the matter was escalated to the National Treasury for a verdict. The response from National Treasury is still awaited.

**Any other material matter – Soccer World Cup clothing and tickets**

The Department did not incur any expenditure on clothing and tickets for the Soccer World Cup during the financial years 2009/10 and 2010/11.

**2. Service rendered by the department**

**2.1 Free Services**

No free services were rendered during the year under review.

**2.2 Inventory**

Two types of inventory are generated by LOGIS. The one consists of an inventory of store items (RR026 LOGIS report), the other inventory of furniture and equipment (RR025 LOGIS report). The value of the inventory of store items as at 31 March 2010 amounted to R276 000 (31 March 2009: R651 000). The value of the inventories was valued at weighted average price. Inventories are issued on the first in first out (FIFO) basis. Excluded from this, is expenditure of R190,000,000 consisting of Departmental housing projects R9,000,000 and contracts ceded from Tubelisha Homes on the N2 Gateway R181,000,000. It is not known at this stage if any of these developments (sites/houses) have been transferred to the beneficiaries or what the opening balance of the sites/houses not yet transferred was on 1 April 2009.

**3. Capacity constraints**

Another strategic goal of the Department as stated in the Annual Performance Plan for 2009/10 is to establish a well functioning transformed department, capacitated to deliver.

The Provincial Cabinet approved forty-four additional posts on 18 March 2009 to be implemented during 2009/10. This was, however, put on hold when the Province embarked on the modernisation process whereby a total new structure was developed and the Department was split in two standalone Departments as from 1 April 2010.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010**

**4. Utilisation of donor funds**

No donor funds were received or utilised by the Department.

**5. Trading entities and public entities**

The Western Cape Housing Development Board (WCHDB) was abolished in October 2005. The Western Cape Housing Development Fund (WCHDF) was dormant during the 2009/10 financial year. All expenditure relating to assets was expensed under programme 2: Housing. The income derived from the WCHDB assets and debtors was accounted as departmental revenue and subsequently paid over to the Provincial Revenue Fund. All transactions into the WCHDF are regarded as related party transactions.

The financial statements of the Western Cape Housing Development Fund will be tabled in a separate report to the Provincial Parliament.

The Department also contracted Thubelisha Homes (National Public Entity) to manage and develop the N2 Gateway and other housing projects. Refer to Disclosure note 23 of the financial statements. This relationship ended on 31 July 2009 and contracts between Thubelisha Homes and contractors were ceded to the Department. The Department entered into an agreement with the Housing Development Agency to act as project manager as from the 2010/11 financial year.

**6. Organisations to whom transfer payments have been made**

All transfer payments and the purpose for the payments made are reported in Annexure 1A – 1G of the Notes to the Annual Financial Statements.

"Accountability arrangements in place over each transfer payment made" are stipulated in the individual agreements to the entities receiving the transfer payments.

**7. Public private partnerships (PPP)**

The Department did not enter into any PPP during the year under review.

**8. Corporate governance arrangements**

The internal audit function is performed by the Provincial Treasury.

The Department formally adopted an Anti-fraud and Corruption Strategy comprising the following:

- The Fraud and Corruption Policy
- The Fraud and Corruption Prevention Plan
- The Fraud Response Plan
- The Fraud Risk Register
- Code of Conduct

The departmental Anti-Fraud and Corruption Strategy, which is the first of its kind for the Western Cape provincial government, was formally launched on 13 May 2008. Compulsory awareness sessions for all staff were again conducted in co-operation with Provincial Treasury throughout the year. A strategic risk assessment was done as a platform and foundation to be used by the Department of Local Government and Housing in identifying and controlling the business risks of the Department.

The establishment of a Fraud and Risk Management Committee assisted the Accounting Officer to create a strong culture in the Department to fight fraud and corruption, which undercuts service delivery and threatens our sense of justice.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010**

Through excellent co-operation between the Department, the Special Investigating Unit and the Forensic Investigative Unit of the Department of the Premier, we are also making great progress in the investigation of alleged corruption into low-cost housing and the recovery of losses, which occurred in the past. Government employees who fraudulently received housing subsidies are signing acknowledgements of debt and additional cases are to be brought before the court in the upcoming months. These actions are vital for us to restore the integrity of our public service and programmes.

The shared audit committee and the Internal audit unit of the governance and administration cluster have been functional since the 2004/05 financial year.

The department has implemented a system to manage the conflicts of interest of employees by ensuring that all SMS members and all members of Bid committees are compelled to declare their conflict of interest annually.

#### 9. Discontinued activities/activities to be discontinued

No activities were discontinued or are to be discontinued.

#### 10. New/proposed activities

None

#### 11. Asset management

The Supply Chain Management (SCM) unit within the Department of Local Government and Housing allocates the Department's assets with unique asset numbers for verification, reconciliation and location purposes. All assets have been captured in the asset register and monthly reconciliations were performed between LOGIS and BAS. The asset register module of LOGIS complies with the minimum requirements.

The fixed properties of the ex Western Cape Housing Development Board are separately disclosed in the financial statements of the Western Cape Housing Development Fund.

#### 12. Events after the reporting date

The Provincial Cabinet approved the corporatising of the support functions with effect from 1 April 2010. The financial implications of this non-adjusting event are not yet finalised. All assets and liabilities will be transferred to the receiving department in terms of the National Treasury Regulations. No events occurred between 31 March 2010 and the date of approval of the financial statements that necessitated adjusting the financial statements as on 31 March 2010. Furthermore, the Department also split into two separate Departments with effect from 1 April 2010, as approved by the Provincial Cabinet.

#### 13. Performance information

The Department identified its shortcoming on reliable/verifiable performance information. The Internal audit unit performed an audit on the processes for the quarterly reports and made recommendations, which the Department implemented in 2009/10. Round table discussions are held every quarter, whereby all performance information are interrogated and validated. All data sources are indicated as well. Apart from the quarterly reports, all managers reported monthly on their targets to their respective branch heads.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2010**

#### 14. Scopa resolutions

##### Auditor-General report on the 2008/09 annual financial statements

Background and SCOPA concerns	Recommendations	Progress
The additional amount paid to complete the previously "unblocked" housing projects is regarded as possible fruitless and wasteful or expenditure that could have been avoided.	The Department must determine whether the applicable expenditure constitutes fruitless and wasteful expenditure per definition and, if so, it must also be confirmed from which party the fruitless and wasteful expenditure should be recovered or whether it should be condoned based on the findings of the investigation. However, measures should be considered to keep the original appointed developers responsible to carry the additional cost to complete the housing projects.	Verified that funding was allocated according to National Policy and liaised with Limpopo Province regarding their findings related to the same enquiry. Submission has since been prepared and signed by the HOD on 12 July 2010.
Ongoing monitoring and supervision over performance information are not always present or undertaken to enable management to determine whether internal control over performance information is present and functioning. The performance information included in the annual report could, therefore, not always be a true reflection of the actual performance.	Controls should be put in place by the Department to ensure that the reported performance information meet the criteria of: Consistency, relevance and reliability, Internal audit should also be requested to audit the information to be reported on in the Annual report.	The department enhanced its performance information collection, collation and analysis processes by ensuring vigorous data verification processes were built in post the submission of the QPR as well. The performance data was analysed and inconsistencies were identified. Managers were then interviewed in one-on-one meetings to clarify the inconsistencies and provide performance evidence. This was followed by chief directorate annual performance assessment discussions known as the round tables in early May 2010, where managers had 1 final chance to address performance inconsistencies, as well as submit outstanding performance evidence.
		The performance evidence is being assessed by the programme performance and internal control unit in May 2010. The Internal Audit unit is not part of the department; the department is however negotiating to have the Internal Audit participate in the performance information audit processes. There has been incremental improvement in the implementation of the new processes i.e. submission of performance evidence particularly with the local government branch that submitted evidence on a bi-annual basis. The incremental change management processes will ensure that in the 2010/11 financial year both departments submit performance evidence together with their performance information on a quarterly basis for all indicators.
<b>Transversal</b>		
Annual Financial Statements It is with concern that the Committee notices the high number and value of the material corrections that was made by the auditors to financial statements during the audit. Of concern is that, had these corrections not been made, it would have resulted in a qualified opinion for the affected departments. The Committee is also concerned that these material misstatements were not discovered by the departments in their normal review and internal control processes. It was also evidenced during the hearings that the internal audit function has to date not included the review of the internal control processes of the production of accurate statements in their audit plans.	The Committee is encouraged by the departments' current initiative and commitment towards the compilation of six-monthly annual financial statements. This process should contribute towards highlighting material misstatements up front which should further contribute towards improvements in this regard. However, the Committee wishes to recommend and urges the departments to move towards the production of quarterly and even bi-monthly financial statements, as this would not only alleviate the pressures at year-end, but will even further contribute towards financial statements that are accurate and complete. The Provincial Treasury is also requested to assist the departments towards the achievement of this goal.	Internal Audit and the Audit Committee assessed the interim financial statements. All shortcomings were addressed. The issue of quarterly bi-monthly statements is to be taken up by the Provincial Treasury with National Treasury as our current financial systems do not have the functionality to produce the prescribed financial statements. Currently the financial statements are compiled manually with information gathered from the different systems, named BAS, LOGIS, NDS and PERSAL.

**WESTERN CAPE PROVINCE**  
**DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING**  
**VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2010**

Background and SCOPA concerns	Recommendations	Progress
	<p>The internal audit and audit committees can and should play a more important role in the process of producing accurate financial statements. Internal audit must include in their annual audit plans the review of the adequacy and efficiency of the systems and internal controls around the production of financial statements. The departments are also encouraged to include these areas in their risk assessments, which will also assist in the development of meaningful audit programs to address the risks involved.</p> <p>The leadership of the Province (Executive) also has a role to play in this regard. Once the internal audit is regularly reporting on the controls over financial statements, it is recommended that the audit committees meet regularly with the MEC's and inform them of their findings and observations. Through this process the Executive will be able to better understand the situation and risks involved at any given time and to be able to, sooner rather than later, intervene to remedy any unsatisfactory situations.</p> <p>The Executive is further encouraged to meet regularly with their Head of Departments to be enlightened on what is contained in the financial statements and whether there are any issues that needs intervention.</p>	
<p>The committee noticed with serious concern, the audit findings regarding the reporting of performance information and the seriousness of the state of such reporting in some instances. Of greater concern is the fact that the situation does not appear to have improved since the previous financial years. As this information relates directly to the effectiveness of service delivery, this unsatisfactory situation can no longer be tolerated. After having heard and considered the evidence, the Committee recommends as follows.</p>	<p>a. The departments must develop a turn-around strategy indicating in clear terms the actions envisaged to address the current unsatisfactory situation and to move towards a clean audit report on the reporting of the performance information. These plans must also be submitted to the Committee in order to be informed of the progress made in this regard.</p> <p>b. As is the case with the production of accurate financial statements, the internal audit and audit committees can and should also play a more important role in the process of producing and reporting of accurate performance information. Internal audit must include in their annual audit plans the review of the adequacy and efficiency of the system as well as the effectiveness of the internal controls around the production of performance information. The departments are also encouraged to include these areas in their risk assessments, which will also assist in the development of meaningful audit programs to address the risks involved in this regard.</p>	<p>The organisational performance management system which includes submission of QPRS to PT and the Round Table were fully communicated to all senior managers and middle managers involved in performance information on a quarterly basis. The performance management unit also used performance data of management meetings i.e. CD and ministerial to verify and identify inconsistencies in quarterly performance information. Hands on monitoring in respect of performance was institutionalised in the department through weekly branch and chief directorate meetings, monthly management meetings, weekly and monthly Ministerial Top Management meetings and quarterly departmental organisational performance management meetings (2 days).</p> <p>The weaknesses in respect of well defined (SMART) indicators and strategic objectives have been addressed in the new 5 Year Strategic Plan and Annual Performance Plan 2010/11. All the relevant role-players including Provincial Treasury and the DOTP were involved in the assessment of the indicators. It should, however, be noted that some indicators have been prescribed and developed by the National Department of Human Settlements.</p>
	<p>c. The leadership of the Province (Executive) also has a role to play in this regard. Once the internal audit is regularly reporting on the controls around the production of performance information, it is recommended that the audit committees also meet regularly with the MEC's and inform them of their findings, observations and concerns. Through this process, the Executive will be able to better understand the situation and risks involved at any given time and to be able to timeously intervene to remedy any unsatisfactory situations and to ensure the production of complete and accurate performance information.</p>	<p>Department on an annual basis in the enhancement of these prescribed indicators to ensure that they become SMART. The department will also provide more easy to read performance reports and presentations, annexures to the annual report to make it more readable to the ordinary person on the street.</p>

**WESTERN CAPE PROVINCE**  
**DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING**  
**VOTE 8**

**REPORT OF THE ACCOUNTING OFFICER**  
**for the year ended 31 March 2010**

Background and SCOPA concerns	Recommendations	Progress
	<p>d. The executive is further encouraged to meet regularly with the Head of Departments to be enlightened on what the situation is on the ground and the challenges faced by the departments and whether there are any issues that needs their intervention.</p>	

**15. Prior modifications to audit reports**

None.

**16. Exemptions and deviations received from the National Treasury**

The Department did not apply or receive any exemptions from the PFMA or National Treasury Regulations or deviations from the National Treasury from financial reporting requirements for the previous and current financial years.

**17. Investigations**

On 25 April 2007, the State President issued a proclamation that empowers the Special Investigating Unit to conduct investigations into low cost housing for the purpose of recovery of any losses suffered by institutions for the period 1994 to 25 April 2007. The objectives of these investigations are, amongst others, to identify the corrupted areas, to bring the transgressors to book and recover the monies, as well as to enable the projects to continue to deliver housing to the public that they are intended for. In terms of the afore-mentioned Presidential Proclamation, the Special Investigating Unit was requested to investigate:

- Findings of the Auditor-General Report for 2005/06 on the approval and allocation of housing subsidies at provincial departments in respect of government employees;
- Findings of the Auditor-General Report for May 2008 on the allocation of housing subsidies to municipal employees by provincial departments; and
- Eighteen Peoples Housing Process Projects.

The investigation process is currently progressing well due to excellent co-operation between the Department and the Special Investigating Unit.

As at 31 March 2010, Admissions of Debt (AOD's) to the value of R4,632,045 were entered into with beneficiaries who were not entitled to subsidies. The SIU recovered the debt on behalf of the Department and R518 136 was paid over to the Provincial Revenue Fund in 2009/10 (2008/09: R459 825).

It should further be noted that matters referred to the SIU for investigation in terms of Proclamation 7 of 2007 and the co-operative agreement between the Department and the SIU, were monitored through:

- A monthly Housing Proclamation Steering Committee
- A monthly Departmental/SIU Steering Committee, as well as the
- Quarterly Progress Reports devised by the SIU
- The Joint Steering Committee consisting of representatives of the National Department of Human Settlements, all provinces and the national office of the Special Investigating Unit.

Over and above low cost housing related investigations, allegations of mismanagement were investigated at two municipalities and reports received.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

The Department entered into a Memorandum of Agreement with the Special Investigating Unit, which commenced on 1 May 2008 for a period of three years and will terminate on 30 April 2011. From the date of the previous agreement with the Special Investigating Unit entered into in 2005 and the new agreement that commenced on 1 May 2008, the Directorate Legislation within the Department is the nodal point for referring matters to the SIU. All issues, whether it is local government related or housing are being channeled through this Directorate. The reasoning behind the decision to use one Directorate as a nodal point was to ensure that proper control and monitoring is exercised over matters referred to the SIU in terms of the agreement.

### 18. Approval

The Annual Financial Statements set out on pages 51 to 99 have been approved by the Accounting Officer.



(DP DANIELS)  
(ACCOUNTING OFFICER)  
DATE: 2010.05.31

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2010

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE No. 8: WESTERN CAPE DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
for the year ended 31 March 2010

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the accompanying financial statements of the Western Cape Department of Local Government and Housing, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, statement of financial performance, statement of changes in net assets, and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 51 to 84.

#### Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 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

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1570 of 2009 issued in Government Gazette 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.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Local Government and Housing 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 as determined by National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.



WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2010

### Emphasis of matters

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

#### Basis of accounting

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

#### Irregular expenditure

9. As disclosed in note 23.1 of the financial statements, the department identified irregular expenditure of R3 614 979 during the year in thirty incidents as a result of the contravention of the prescripts relating to the procurement of goods and services, of which R3 289 640 was condoned. The details of disciplinary steps taken by management relating to the twenty-four cases in the current year, is set out in disclosure note 23.2.

#### Material under spending of the budget

10. As indicated in note 4.1 to the Appropriation Statement, the department has materially under spent the budget by an amount of R84 870 000 (-4.5%). This under spending mainly relates to Programme 2: Housing, due to under performance on the N2 Gateway project as a result of the closing down of Thubelisha Homes and contractors not being paid, resulting in them moving off the site. Furthermore, transfer payments to certain municipalities for the delivery of houses were withheld due to alleged irregular expenditure, resulting in a delay with the delivery of houses.

#### Additional matter

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

#### Unaudited supplementary schedules

11. The supplementary information set out in Annexures 1 to 5 on pages 85 to 99 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, DoRA and financial management (internal control).

#### Findings

##### Predetermined objectives

##### Reliability of reported performance information

12. The following criteria were used to assess the usefulness of the planned and reported performance:
- Validity: Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?
  - Accuracy: Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately.
  - Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2010

The following audit finding relate to the above criteria:

13. The validity, accuracy and completeness of 40% of the reported indicators of programme 2: Housing: sub-programme 2.2 – Housing Development could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided for audit purposes.

#### Compliance with laws and regulations Housing Act of South Africa, 1997 and housing code Non-adherence to legislation

14. Various unsubstantiated cases were identified where housing subsidies were granted to applicants who were disqualified in terms of the criteria as set out in the housing code, as issued under the Housing Act of South Africa, 1997 (Act No. 107 of 1997).

#### 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 and DoRA, 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

##### Oversight responsibility

15. The accounting officer does not exercise adequate oversight responsibility over reporting and internal control to ensure that management in the housing directorates, via the strategic support directorate, met their responsibilities relating to the reliable reporting of predetermined objectives. Furthermore, the accounting officer does not evaluate whether management has implemented effective internal controls by gaining an understanding of how they have met their responsibilities.

##### Action to mitigate risks

16. Control weaknesses are not adequately analysed by management and appropriate follow-up actions are not taken to address the internal control deficiencies. The shortcomings identified in previous reports of the Auditor-General of South Africa (AGSA) re-occurred as various similar exceptions were again identified relating to the allocation of housing subsidies to applicants that did not qualify in terms of the criteria as per the Housing Code due to the incomplete non-provincial databases.

#### OTHER REPORTS

##### Investigations

##### Forensic Investigation Unit (FIU)

17. The following two cases, as reported via the national anti-corruption hotline, are currently being investigated by the Forensic Investigative Unit (FIU):
- Alleged procurement irregularities in the award of security services
  - Alleged irregularities in the award of a tender

The department in consultation with FIU, concluded the following five investigations for the year under review, where none of the allegations could be substantiated:

- Allegations relating to alleged theft by a sub-contractor at a housing project
- Alleged fraud at a Housing office

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

REPORT OF THE AUDITOR GENERAL  
for the year ended 31 March 2010

- Alleged fraud and corruption at a PHP housing project
- Alleged procurement fraud
- Alleged procurement irregularities and unethical behaviour

Special Investigation Unit (SIU)

18. Seventeen cases of alleged irregularities with people housing projects (PHP) were investigated by the SIU of which seven cases has since been completed, whilst the rest (ten cases) were still in progress.

Furthermore, the SIU is still investigating the findings of the AGSA as set out in the performance reports for 2005-06 and May 2008 relating to the approval and allocation of housing subsidies to government and municipal employees respectively. As at 31 March 2010 admissions of debt to the value of R4 632 045 were entered into with beneficiaries who were not entitled to subsidies. An amount of R518 136 was received by the department during the 2009-10 financial year. As at 31 March 2010, the total amount outstanding, including interest of R937 512, amounted to R4 591 596.

Performance audit – Consultants

19. A performance audit was finalised during the year under review relating the use of consultants/contractors and agencies/outsourced services at the department. The audit covered the period 1 April 2007 to 31 March 2009 and the detailed findings were brought to the attention of the accounting officer in the management report.

*Auditor-General*

Cape Town

31 July 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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 12 of 2009.

**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 made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

The total appropriated funds received during the year are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the Statement of Financial Position.

**2.2 Departmental revenue**

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

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the Statement of Financial Position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are, however, disclosed in the disclosure note to the annual financial statements.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**ACCOUNTING POLICIES  
for the year ended 31 March 2010**

**2.3 Direct Exchequer receipts/payments**

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**

Aid assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt 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 funds is recognised as a receivable in the Statement of Financial Position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the Statement of Financial Position.

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

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

**3. Expenditure**

**3.1 Compensation of employees**

**3.1.1 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 on the project. These payments form part of expenditure for capital assets in the Statement of Financial Performance.

**3.1.2 Post retirement benefits**

Employer contribution (i.e. social contributions) are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March 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.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**ACCOUNTING POLICIES  
for the year ended 31 March 2010**

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 authorisation 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.

**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 under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts, but an estimate is included in the disclosure notes to the financial statements' amounts.

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

**3.5 Transfers and subsidies**

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

**3.6 Unauthorised expenditure**

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

Unauthorised expenditure approved with funding is derecognised from the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date of approval.

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance according to the nature of the payment and not as a separate line item on the face of the statement. 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.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**ACCOUNTING POLICIES  
for the year ended 31 March 2010**

**3.8 Irregular expenditure**

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

**4. Assets**

**4.1 Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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

**4.2 Other financial assets**

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

**4.3 Prepayments and advances**

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and where the goods and services have not been received by year end.

Prepayments 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 potentially irrecoverable are included in the disclosure notes.

**4.5 Investments**

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

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

**4.6 Loans**

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.7 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**ACCOUNTING POLICIES  
for the year ended 31 March 2010**

**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 at R1.

**Subsequent recognition**

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

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

**4.8.2 Immovable assets**

**Initial recognition**

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

**Subsequent recognition**

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

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

**5. Liabilities**

**5.1 Payables**

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

**5.2 Contingent liabilities**

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

**5.3 Contingent assets**

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

**5.4 Commitments**

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

**5.5 Accruals**

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

ACCOUNTING POLICIES  
for the year ended 31 March 2010

5.6 Employee benefits

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

5.7 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as an expense in the Statement of Financial Performance and are apportioned between the capital and 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 statement.

5.8 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.

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the Statement of Financial Position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the Statement of Financial Performance when written-off.

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.

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Appropriation per programme									
Programmes	2009/10							2008/09	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>1. Administration</b>									
Current payment	84,409	-	(158)	84,251	84,073	178	99.8	90,960	90,960
Transfers and subsidies	620	-	-	620	411	209	66.3	1,487	1,487
Payment for capital assets	2,970	-	-	2,970	2,835	135	95.5	4,043	4,043
<b>2. Housing</b>									
Current payment	103,688	1,050	3,199	107,937	103,383	4,554	95.8	113,560	113,381
Transfers and subsidies	1,591,115	(1,050)	-	1,590,065	1,510,631	79,434	95.0	1,329,018	1,329,018
Payment for capital assets	-	-	-	-	-	-	-	323	323
<b>3. Local Government</b>									
Current payment	76,163	(135)	(3,041)	72,987	72,987	-	100.0	63,789	63,789
Transfers and subsidies	8,359	121	-	8,480	8,120	360	95.8	12,088	12,088
Payment for capital assets	-	14	-	14	14	-	100.0	546	546
<b>Total</b>	<b>1,867,324</b>	<b>-</b>	<b>-</b>	<b>1,867,324</b>	<b>1,782,454</b>	<b>84,870</b>	<b>95.5</b>	<b>1,615,814</b>	<b>1,615,635</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
				46,484				7,345	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>1,913,808</b>				<b>1,623,159</b>	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>1,782,454</b>				<b>1,615,635</b>

Appropriation per Economic classification									
Economic classification	2009/10							2008/09	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final Appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>Current payments</b>									
Compensation of employees	170,142	(4,485)	(964)	164,693	164,557	136	99.9	142,645	142,645
Goods and services	93,798	5,394	964	100,156	95,602	4,554	95.5	125,265	125,086
Interest and rent on land	120	6	-	126	109	17	86.5	69	69
Financial transactions in assets and liabilities	200	-	-	200	175	25	87.5	330	330
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	35,169	4,671	-	39,840	38,100	1,740	95.6	26,397	26,397
Departmental agencies & accounts	600	275	-	875	775	100	88.6	275	275
Universities & technikons	1,500	-	-	1,500	1,500	-	100.0	1,500	1,500
Public corporations & private enterprises	1,273	(72)	-	1,201	1,201	-	100.0	-	-
Non-profit institutions	650	(275)	-	375	275	100	73.3	275	275
Households	1,560,902	(5,708)	-	1,555,194	1,477,131	78,063	95.0	1,313,478	1,313,478
Gifts and donations	-	180	-	180	180	-	100.0	668	668
<b>Payment for capital assets</b>									
Machinery & equipment	2,970	(88)	-	2,882	2,747	135	95.3	4,812	4,812
Software & other intangible assets	-	102	-	102	102	-	100.0	100	100
<b>Total</b>	<b>1,867,324</b>	<b>-</b>	<b>-</b>	<b>1,867,324</b>	<b>1,782,454</b>	<b>84,870</b>	<b>95.5</b>	<b>1,615,814</b>	<b>1,615,635</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Detail per programme 1 - Administration  
for the year ended 31 March 2010

Details 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
<b>1.1 Office of the MEC</b>									
Current payment	6,005	(1,133)	(158)	4,714	4,536	178	96.2	5,377	5,377
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	5	-	-	5	5	-	100.0	27	27
<b>1.2 Corporate Services</b>									
Current payment	78,404	1,133	-	79,537	79,537	-	100.0	85,583	85,583
Transfers and subsidies	620	-	-	620	411	209	66.3	1,486	1,486
Payment for capital assets	2,965	-	-	2,965	2,830	135	95.4	4,016	4,016
<b>Total</b>	<b>87,999</b>	<b>-</b>	<b>(158)</b>	<b>87,841</b>	<b>87,319</b>	<b>522</b>	<b>99.4</b>	<b>96,490</b>	<b>96,490</b>

Per 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
<b>Current payments</b>									
Compensation of employees	52,811	(2,529)	(158)	50,124	49,988	136	99.7	48,521	48,521
Goods and services	31,368	2,529	-	33,897	33,897	-	100.0	42,101	42,101
Interest and rent on land	30	-	-	30	13	17	43.3	8	8
Financial transactions in assets and liabilities	200	-	-	200	175	25	87.5	330	330
<b>Transfers &amp; subsidies</b>									
Departmental agencies & accounts	100	-	-	100	-	100	-	-	-
Non-profit institutions	100	-	-	100	-	100	-	-	-
Households	420	(15)	-	405	396	9	97.8	1,105	1,105
Gifts and donations	-	15	-	15	15	-	100.0	382	382
<b>Payment for capital assets</b>									
Machinery & equipment	2,970	(102)	-	2,868	2,733	135	95.3	3,943	3,943
Software & other intangible assets	-	102	-	102	102	-	100.0	100	100
<b>Total</b>	<b>87,999</b>	<b>-</b>	<b>(158)</b>	<b>87,841</b>	<b>87,319</b>	<b>522</b>	<b>99.4</b>	<b>96,490</b>	<b>96,490</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Detail per programme 2 - Housing  
for the year ended 31 March 2010

Details 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
<b>2.1 Housing Needs, Research and Planning</b>									
Current payment	14,128	(1,056)	-	13,072	13,072	-	100.0	14,009	13,830
Transfers and subsidies	1,500	1	-	1,501	1,501	-	100.0	1,504	1,504
Payment for capital assets	-	-	-	-	-	-	-	208	208
<b>2.2 Housing Development</b>									
Current payment	60,504	4,614	3,199	68,317	63,763	4,554	93.3	78,465	78,465
Transfers and subsidies	1,574,615	(5,868)	-	1,568,747	1,489,313	79,434	94.9	1,256,992	1,256,992
Payment for capital assets	-	-	-	-	-	-	-	115	115
<b>2.3 Housing Asset Management Property</b>									
Current payment	29,056	(2,508)	-	26,548	26,548	-	100.0	21,086	21,086
Transfers and subsidies	15,000	4,817	-	19,817	19,817	-	100.0	70,522	70,522
<b>Total</b>	<b>1,694,803</b>	<b>-</b>	<b>3,199</b>	<b>1,698,002</b>	<b>1,614,014</b>	<b>83,988</b>	<b>95.1</b>	<b>1,442,901</b>	<b>1,442,722</b>

Per 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
<b>Current payments</b>									
Compensation of employees	59,282	(1,956)	-	57,326	57,326	-	100.0	47,726	47,726
Goods and services	44,376	3,021	3,199	50,596	46,042	4,554	91.0	65,828	65,649
Interest and rent on land	30	(15)	-	15	15	-	100.0	6	6
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	27,860	4,671	-	32,531	31,151	1,380	95.8	15,818	15,818
Universities & technikons	1,500	-	-	1,500	1,500	-	100.0	1,500	1,500
Public corporations & private enterprises	1,273	(72)	-	1,201	1,201	-	100.0	-	-
Households	1,560,482	(5,753)	-	1,554,729	1,476,675	78,054	95.0	1,311,633	1,311,633
Gifts and donations	-	104	-	104	104	-	100.0	67	67
<b>Payment for capital assets</b>									
Machinery & equipment	-	-	-	-	-	-	-	323	323
<b>Total</b>	<b>1,694,803</b>	<b>-</b>	<b>3,199</b>	<b>1,698,002</b>	<b>1,614,014</b>	<b>83,988</b>	<b>95.1</b>	<b>1,442,901</b>	<b>1,442,722</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

APPROPRIATION STATEMENT  
for the year ended 31 March 2010

Detail per programme 3 - Local Government  
for the year ended 31 March 2010

Details 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
<b>3.1 Local Governance</b>									
Current payment	63,977	(135)	(936)	<b>62,906</b>	62,906	-	100.0	47,051	47,051
Transfers and subsidies	5,909	120	-	<b>6,029</b>	5,669	360	94.0	9,518	9,518
Payment for capital assets	-	14	-	<b>14</b>	14	-	100.0	23	23
<b>3.2 Development and Planning</b>									
Current payment	12,186	-	(2,105)	<b>10,081</b>	10,081	-	100.0	16,738	16,738
Transfers and subsidies	2,450	1	-	<b>2,451</b>	2,451	-	100.0	2,570	2,570
Payment for capital assets	-	-	-	-	-	-	-	523	523
<b>Total</b>	<b>84,522</b>	<b>-</b>	<b>(3,041)</b>	<b>81,481</b>	<b>81,121</b>	<b>360</b>	<b>99.6</b>	<b>76,423</b>	<b>76,423</b>

Per 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
<b>Current payments</b>									
Compensation of employees	58,049	-	(806)	<b>57,243</b>	57,243	-	100.0	46,398	46,398
Goods and services	18,054	(156)	(2,235)	<b>15,663</b>	15,663	-	100.0	17,336	17,336
Interest and rent on land	60	21	-	<b>81</b>	81	-	100.0	55	55
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	7,309	-	-	<b>7,309</b>	6,949	360	95.1	10,579	10,579
Departmental agencies & accounts	500	275	-	<b>775</b>	775	-	100.0	275	275
Non-profit institutions	550	(275)	-	<b>275</b>	275	-	100.0	275	275
Households	-	60	-	<b>60</b>	60	-	100.0	740	740
Gifts and donations	-	61	-	<b>61</b>	61	-	100.0	219	219
<b>Payment for capital assets</b>									
Machinery & equipment	-	14	-	<b>14</b>	14	-	100.0	546	546
<b>Total</b>	<b>84,522</b>	<b>-</b>	<b>(3,041)</b>	<b>81,481</b>	<b>81,121</b>	<b>360</b>	<b>99.6</b>	<b>76,423</b>	<b>76,423</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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 7 (Transfers and subsidies) and Annexure 1 (A-G) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 to the Annual Financial Statements.

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

Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Programme 1: Administration	87,841	87,319	522	0,6%
Explanation of variance: Saving on donations due to efficiency drive and underspending on capital assets due to non-implementation of the phase 2 establishment.				
Programme 2: Housing	1,698,002	1,614,014	83,988	4,9%
Explanation of variance: Under-expenditure due to underperformance on the N2 Gateway project due to the closing down of Thubelisha Homes and contractors not being paid, which resulted in a contracting consortium moving off the site. Furthermore, certain transfer payments were held back by the Provincial Treasury due to alleged irregular expenditure.				
Programme 3: Local Government	81,481	81,121	360	0,4%
Explanation of variance: Under-expenditure due to agreements in respect of transfers to municipalities not signed in time for processing/(payment) of the transfers before 31/03/2010.				

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	164,693	164,557	136	0,1%
Goods and services	100,156	95,602	4,554	0.0
Interest and rent on land	126	109	17	13,5%
Financial transactions in assets and liabilities	200	175	25	12,5%
<b>Transfers and subsidies</b>				
Provinces and municipalities	39,840	38,100	1,740	4,4%
Departmental agencies and Universities and technikons	875	775	100	11,4%
Public corporations and private enterprises	1,500	1,500	-	-
Non-profit institutions	1,201	1,201	-	-
Households	375	275	100	26,7%
Gifts and donations	1,555,194	1,477,131	78,063	5,0%
<b>Payments for capital assets</b>				
Machinery and equipment	180	180	-	-
Software and other intangible	2,882	2,747	135	4,7%
<b>Total</b>	<b>1,867,324</b>	<b>1,782,454</b>	<b>84,870</b>	<b>4,5%</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
<b>REVENUE</b>			
Annual appropriation	1	1,867,324	1,615,814
Departmental revenue	2	46,484	7,345
<b>TOTAL REVENUE</b>		<b>1,913,808</b>	<b>1,623,159</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	164,557	142,645
Goods and services	4	95,602	125,086
Interest and rent on land	5	109	69
Financial transactions in assets and liabilities	6	175	330
<b>Total current expenditure</b>		<b>260,443</b>	<b>268,130</b>
<b>Transfers and subsidies</b>		<b>1,519,162</b>	<b>1,342,593</b>
Transfers and subsidies	7	1,519,162	1,342,593
<b>Expenditure for capital assets</b>			
Tangible capital assets	8	2,747	4,812
Software and other intangible assets	8	102	100
<b>Total expenditure for capital assets</b>		<b>2,849</b>	<b>4,912</b>
<b>TOTAL EXPENDITURE</b>		<b>1,782,454</b>	<b>1,615,635</b>
<b>SURPLUS FOR THE YEAR</b>		<b>131,354</b>	<b>7,524</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds	12	84,870	179
Annual appropriation		882	179
Conditional grants		83,988	-
Departmental revenue	13	46,484	7,345
<b>SURPLUS FOR THE YEAR</b>		<b>131,354</b>	<b>7,524</b>



WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

STATEMENT OF FINANCIAL POSITION  
as at 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	159,397	46,131
Prepayments and advances	10	116	129
Receivables	11	7,034	6,493
<b>TOTAL ASSETS</b>		<b>166,547</b>	<b>52,753</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Voted funds to be surrendered to the Revenue Fund	12	84,870	179
Departmental revenue to be surrendered to the Revenue Fund	13	39,070	4,667
Payables	14	42,381	47,791
<b>TOTAL LIABILITIES</b>		<b>166,321</b>	<b>52,637</b>
<b>NET ASSETS</b>		<b>226</b>	<b>116</b>
<b>Represented by:</b>			
Recoverable revenue		226	116
<b>TOTAL</b>		<b>226</b>	<b>116</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>Recoverable revenue</b>			
Opening balance		116	79
Transfers		110	37
Irrecoverable amounts written off	6.5	-	(7)
Debts revised		(14)	(26)
Debts recovered (included in departmental receipts)		(194)	(152)
Debts raised		318	222
<b>Closing balance</b>		<b>226</b>	<b>116</b>
<b>Total</b>		<b>226</b>	<b>116</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

CASH FLOW STATEMENT  
for the year ended 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>1,964,646</b>	<b>1,696,659</b>
Annual appropriated funds received	1.1	1,867,324	1,615,814
Departmental revenue received	2	97,322	80,845
Net decrease in working capital		(5,938)	(3,972)
Surrendered to Revenue Fund		(63,105)	(157,707)
Current payments		(260,443)	(268,130)
Transfers and subsidies paid		(1,519,162)	(1,342,593)
<b>Net cash flow available from operating activities</b>	15	<b>115,998</b>	<b>(75,743)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	8	(2,849)	(4,912)
Proceeds from sale of capital assets	2	7	
<b>Net cash flows from investing activities</b>		<b>(2,842)</b>	<b>(4,912)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in net assets		110	37
<b>Net cash flows from financing activities</b>		<b>110</b>	<b>37</b>
Net increase in cash and cash equivalents		113,266	(80,618)
Cash and cash equivalents at beginning of period		46,131	126,749
<b>Cash and cash equivalents at end of period</b>	16	<b>159,397</b>	<b>46,131</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

**1. Annual Appropriation**

**1.1 Annual Appropriation**

Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation Received 2008/09 R'000
Administration	87,841	87,841	-	96,490
Housing	1,698,002	1,698,002	-	1,442,901
Local Government	81,481	81,481	-	76,423
<b>Total</b>	<b>1,867,324</b>	<b>1,867,324</b>	<b>-</b>	<b>1,615,814</b>

**1.2 Conditional Grants\*\***

	Note	2009/10 R'000	2008/09 R'000
Total grants received	Note 32	1,581,425	1,305,862

(\*\* It should be noted that the Conditional Grants are included in the amounts per the Final Appropriation in Note 1.1)

**2. Departmental Revenue**

Sales of goods and services other than capital assets	2.1	79	443
Interest, dividends and rent on land	2.2	5,977	2,995
Sales of capital assets	2.3	7	-
Financial transactions in assets and liabilities	2.4	91,266	72,847
Transfer received	2.5	-	4,560
<b>Total revenue collected</b>		<b>97,329</b>	<b>80,845</b>
Less: Own revenue included in appropriation	13	50,845	73,500
<b>Departmental revenue collected</b>		<b>46,484</b>	<b>7,345</b>

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

	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the	<b>79</b>	<b>440</b>
Administrative fees	70	53
Other sales	9	387
<b>Total</b>	<b>79</b>	<b>443</b>

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

Interest	5,969	2,738
Rent on land	8	257
	<b>5,977</b>	<b>2,995</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>2.3 Sales of Capital Assets</b>			
<b>Tangible assets</b>		7	
Machinery and equipment	2	7	-
<b>Total</b>		<b>7</b>	<b>-</b>
<b>2.4 Financial transactions in assets and liabilities</b>	2		
Loans and advances		40,900	65,777
Other Receipts including Recoverable Revenue		50,366	7,070
<b>Total</b>		<b>91,266</b>	<b>72,847</b>
<b>2.5 Transfers received</b>	2		
Public corporations and private enterprises		-	4,560
<b>Total</b>		<b>-</b>	<b>4,560</b>

Included in the above are the following receipts in respect of the former WCHDF:

Royalties: R8,334 (Note 2.2: Rent on land)

Rental on Housing properties: R422,000 (Note 2.4: Loans and advances)

Included in Note 2.4 is an amount of R37,575,000 repaid by Thubelisha Homes iro the N2 Gateway and R34,000,000 realised through the EEDBS.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and Wages</b>			
Basic salary		110,857	93,372
Performance award		2,239	2,100
Service Based		7,559	6,337
Compensative/circumstantial		5,049	7,848
Periodic payments		1,437	1,346
Other non-pensionable allowances		16,190	13,468
<b>Total</b>		<b>143,331</b>	<b>124,471</b>
<b>3.2 Social Contributions</b>			
<b>Employer Contributions</b>			
Pension		13,172	11,289
Medical		8,032	6,863
Bargaining council		22	22
<b>Total</b>		<b>21,226</b>	<b>18,174</b>
<b>Total compensation of employees</b>		<b>164,557</b>	<b>142,645</b>
Average number of employees		739	722

The increase in compensation of employees is due to the increase in personnel employed by the Department as well as the 11% increase with effect from 1 July 2009.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>4. Goods and Services</b>			
Administrative fees		317	184
Advertising		3,915	6,818
Assets less than R5,000	4.1	1,174	1,690
Bursaries (employees)		288	302
Catering		1,122	3,549
Communication		9,991	6,485
Computer services	4.2	656	1,251
Consultants, contractors and agency/outsourced services	4.3	32,685	59,640
Entertainment		59	75
Audit cost – external	4.4	3,813	3,114
Government motor transport		7,542	5,766
Inventory	4.5	3,376	3,656
Lease payments		2,693	2,015
Owned and leasehold property expenditure	4.6	17,867	11,335
Transport provided as part of the departmental activities		16	1
Travel and subsistence	4.7	6,621	10,544
Venues and facilities		1,079	4,290
Training and staff development		1,697	3,769
Other operating expenditure	4.8	691	602
<b>Total</b>		<b>95,602</b>	<b>125,086</b>

The Department implemented an efficiency drive to release funds from non-core items in favour of frontline service delivery. This initiative released approximately R6,000,000 for front line service delivery. The table above illustrates the savings on non-core line items.

<b>4.1 Assets less than R5,000</b>	<b>4</b>		
<b>Tangible assets</b>		<b>849</b>	<b>1,314</b>
Machinery and equipment		849	1,314
<b>Intangible assets</b>		<b>325</b>	<b>376</b>
<b>Total</b>		<b>1,174</b>	<b>1,690</b>

All assets to be procured must be fully motivated and evaluated against the efficiency programme.

<b>4.2 Computer Services</b>	<b>4</b>		
SITA computer services		407	799
External computer service providers		249	452
<b>Total</b>		<b>656</b>	<b>1,251</b>

The decrease in SITA computer services was due to an over-charge in tariffs by SITA during 2008/09. The accounts were questioned by the Department and a credit of R354 162 was received from SITA which was allocated to Departmental revenue during 2009/10.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>4.3 Consultants, Contractors and Agency/Outsourced Services</b>	<b>4</b>		
Business and advisory services		27,041	46,511
Infrastructure and planning		1,551	5,611
Legal costs		2,472	4,638
Contractors		1,371	1,785
Agency and support/outsourced services		250	1,095
<b>Total</b>		<b>32,685</b>	<b>59,640</b>

All expenses relating to owned and leasehold properties (allocated to contractors in 2008/09) have been restated as owned and leasehold property expenditure.

<b>4.4 Audit Cost - External</b>	<b>4</b>		
Regularity audits		2,595	3,031
Performance audits		1,218	83
<b>Total</b>		<b>3,813</b>	<b>3,114</b>

<b>4.5 Inventory</b>	<b>4</b>		
Fuel, oil and gas		14	19
Other consumable materials		111	97
Maintenance material		123	49
Stationery and printing		3,128	3,490
Medical supplies		-	1
<b>Total</b>		<b>3,376</b>	<b>3,656</b>

The decrease is due to the successful implementation of the efficiency programme. Savings were realised by making use of the printing facility of photocopiers, back to back printing and only printing documents if necessary.

<b>4.6 Owned and Leasehold Property Expenditure</b>	<b>4</b>		
Municipal services		5,160	1
Property management fees		-	42
Property maintenance and repairs		5,038	10,163
Other		7,669	1,129
<b>Total</b>		<b>17,867</b>	<b>11,335</b>

**Municipal services: R5,160,000:**

Previously the accounts for rates and taxes included amounts payable for municipal services, and as such the comparative figure cannot be restated, without having to analyse all municipal accounts paid during 2008/09.

<b>4.7 Travel and Subsistence</b>	<b>4</b>		
Local		6,143	9,188
Foreign		478	1,356
<b>Total</b>		<b>6,621</b>	<b>10,544</b>

The decrease is mainly due to the efficiency drive whereby all air tickets are bought through the best buy option, limited sleepovers as meetings are scheduled to start at 10 am in Pretoria and more effective utilisation of our GG fleet. Government motor transport which was previously included under travel and subsistence has been restated as government motor transport.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>4.8 Other Operating Expenditure</b>	<b>4</b>		
Professional bodies, membership and subscription fees		12	75
Resettlement costs		112	72
Other		567	455
<b>Total</b>		<b>691</b>	<b>602</b>
<b>5. Interest and Rent on Land</b>			
Interest paid		109	69
<b>Total</b>		<b>109</b>	<b>69</b>
Cellphone and 3G card agreements are classified as finance leases. The increase is due to the allocation of 3G cards to our CDW's to keep in touch with the office and to perform their tasks optimally.			
<b>6. Financial Transactions in Assets and Liabilities</b>			
Material losses through criminal conduct		-	210
Theft	6.4	-	1
Other material losses	6.1	-	209
Other material losses written off	6.2	175	61
Debts written off	6.3	-	59
<b>Total</b>		<b>175</b>	<b>330</b>
<b>6.1 Other Material Losses</b>	<b>6</b>		
<b>Nature of other material losses</b>			
Fraudulent duplicate payments made to contractor Delftcon Construction	A departmental official was convicted of fraud in a court of law following an investigation by the Forensic Investigative Unit. The loss amount was not recovered as the claim prescribed.	-	209
<b>Total</b>		<b>-</b>	<b>209</b>
<b>6.2 Other Materials Losses Written Off</b>	<b>6</b>		
<b>Nature of losses</b>			
Vehicle and vehicle accessories damage		76	51
Ex-employees: Salary overpayment & T&S (Uneconomical to recover)		20	3
Unresolved accounts (prescribed)		-	7
Ex-employees: State guarantee, bursary, income tax		31	-
UWC (interest on over-payment)		36	-
Duplicate payment		12	-
<b>Total</b>		<b>175</b>	<b>61</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>6.3 Debts Written Off</b>	<b>6</b>		
<b>Nature of debts written off</b>			
Salary related debt (ex-employees)		-	59
<b>Total</b>		<b>-</b>	<b>59</b>
<b>6.4 Details of Theft</b>	<b>6</b>		
<b>Nature of theft</b>			
Theft of office equipment & tools		-	1
<b>Total</b>		<b>-</b>	<b>1</b>
<b>6.5 Recoverable Revenue Written Off</b>			
<b>Nature of losses</b>			
Salary related: ex-employees		-	7
<b>Total</b>		<b>-</b>	<b>7</b>
<b>7. Transfers and Subsidies</b>			
Provinces and municipalities	Annexure 1A	38,100	26,397
Departmental agencies and accounts	Annexure 1B	775	275
Universities and technikons	Annexure 1C	1,500	1,500
Public corporations and private enterprises	Annexure 1D	1,201	-
Non-profit institutions	Annexure 1E	275	275
Households	Annexure 1F	1,477,131	1,313,478
Gifts, donations and sponsorships made	Annexure 1G	180	668
<b>Total</b>		<b>1,519,162</b>	<b>1,342,593</b>
The Department is currently in the process to determine the amount transferred to municipalities, but not yet spent. Although payments are made on progress claims, transfers are sometimes made into milestones reached - especially for PHP and the servicing of sites, eg. for planning purposes. As the projects are spread over more than 1 financial year, it is not possible to determine what portion of the unspent funds is applicable to a specific year. The amount transferred to the City of Cape Town, but not yet spent/paid to contractors amounts to R245,401,000 at 31 March 2010. R101,930,000 is for PHP and R143,471,000 is for other housing projects. Other pre-payments on PHP projects to private AA's amount to R48,806,000.			
<b>8. Expenditure for Capital Assets</b>			
<b>Tangible assets</b>		<b>2,747</b>	<b>4,812</b>
Machinery and equipment	8.1	2,747	4,812
<b>Software and other intangible assets</b>		<b>102</b>	<b>100</b>
Computer software	8.1	102	100
<b>Total</b>		<b>2,849</b>	<b>4,912</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

8.1 Analysis of Funds utilised to acquire Capital Assets - 2009/10

	Voted Funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>2,747</b>	<b>-</b>	<b>2,747</b>
Machinery and equipment	2,747	-	2,747
<b>Software and other intangible assets</b>	<b>102</b>	<b>-</b>	<b>102</b>
Computer software	102	-	102
<b>Total</b>	<b>2,849</b>	<b>-</b>	<b>2,849</b>

8.2 Analysis of funds utilised to acquire Capital Assets - 2008/09

	Voted Funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>4,812</b>	<b>-</b>	<b>4,812</b>
Machinery and equipment	4,812	-	4,812
<b>Software and other intangible assets</b>	<b>100</b>	<b>-</b>	<b>100</b>
Computer software	100	-	100
<b>Total</b>	<b>4,912</b>	<b>-</b>	<b>4,912</b>

Note	2009/10 R'000	2008/09 R'000

9. Cash and Cash Equivalents

Consolidated Paymaster General Account	(30,906)	(20)
Cash with commercial banks (Local)	190,303	46,151
<b>Total</b>	<b>159,397</b>	<b>46,131</b>

Cash with commercial banks represents cash not required by the Department for immediate use and is invested by the Provincial Treasury at various commercial banks. Interest earned on these investments is reflected in the financial statements of the PGWC. Included in these investments is a total amount of R45,027,000 which was invested on behalf of the WCHDF.

10. Pre-payments and Advances

Travel and subsistence	116	129
<b>Total</b>	<b>116</b>	<b>129</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

Note	2009/10			Total R'000	2008/09 R'000
	Less than one year R'000	One to three years R'000	Older than three years R'000		
<b>11. Receivables</b>					
Claims recoverable	2,318	7	-	2,325	786
Recoverable expenditure	1,064	3,005	-	4,069	5,387
Staff debt	242	144	39	425	320
Other debtors	215	-	-	215	-
<b>Total</b>	<b>3,839</b>	<b>3,156</b>	<b>39</b>	<b>7,034</b>	<b>6,493</b>

Note	2009/10 R'000	2008/09 R'000
<b>11.1 Claims Recoverable</b>	<b>11</b>	
National departments	Annexure 3	22
Provincial departments	Annexure 3	238
Private enterprises		2,065
<b>Total</b>		<b>2,325</b>

The amount in respect of private enterprises relates to the fraudulent use of PHP subsidies which were held in trust by an Accounts Administrator.

Note	2009/10 R'000	2008/09 R'000
<b>11.2 Recoverable Expenditure (Disallowance Accounts)</b>	<b>11</b>	
Disallowance account: Miscellaneous		3,201
Disallowance account: Damages and losses		863
Disallowance account: Dishonoured cheques		5
<b>Total</b>		<b>4,069</b>

Note	2009/10 R'000	2008/09 R'000
<b>11.3 Staff Debt</b>	<b>11</b>	
Breach of contract: Study bursaries		85
Salary related debt		180
Transport and subsistence		27
Private telephone		42
Irregular expenditure not condoned		69
Lost cameras		22
State guarantees		-
Interest on overpayment to UWC (CDW programme)		-
<b>Total</b>		<b>425</b>

Note	2009/10 R'000	2008/09 R'000
<b>11.4 Other Debtors</b>	<b>11</b>	
Salary clearing account: SARS		1
Trust account: IDP learnerships		214
<b>Total</b>		<b>215</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

	Note	2009/10 R'000	2008/09 R'000
<b>12. Voted Funds to be surrendered to the Revenue Fund</b>			
Opening balance		179	78,028
Transfer from statement of financial performance		84,870	179
Paid during the year		(179)	(78,028)
<b>Closing balance</b>		<b>84,870</b>	<b>179</b>
<b>13. Departmental Revenue to be surrendered to the Revenue Fund</b>			
Opening balance		4,667	3,501
Transfer from Statement of Financial Performance		46,484	7,345
Own revenue included in appropriation		50,845	73,500
Paid during the year		(62,926)	(79,679)
<b>Closing balance</b>		<b>39,070</b>	<b>4,667</b>
<b>14. Payables - Current</b>			
Clearing accounts	14.1	26	156
Other payables	14.2	42,355	47,635
<b>Total</b>		<b>42,381</b>	<b>47,791</b>
<b>14.1 Clearing Accounts</b>	<b>14</b>		
PERSAL clearing accounts		26	156
<b>Total</b>		<b>26</b>	<b>156</b>
<b>14.2 Other Payables</b>	<b>14</b>		
Western Cape Housing Development Fund		42,355	47,635
<b>Total</b>		<b>42,355</b>	<b>47,635</b>
<b>15. Net Cash Flow available from Operating Activities</b>			
Net surplus as per Statement of Financial Performance		131,354	7,524
Add back non cash/cash movements not deemed operating activities		(15,356)	(83,267)
(Increase)/Decrease in receivables – current		(541)	(2,073)
(Increase)/Decrease in prepayments and advances		13	(42)
Increase/(Decrease) in payables – current		(5,410)	(1,857)
Proceeds from sale of capital assets		(7)	-
Expenditure on capital assets		2,849	4,912
Surrenders to Revenue Fund		(63,105)	(157,707)
Own revenue included in appropriation		50,845	73,500
<b>Net cash flow generated by operating activities</b>		<b>115,998</b>	<b>(75,743)</b>
<b>16. Reconciliation of Cash and Cash Equivalents for Cash Flow purposes</b>			
Consolidated Paymaster General account		(30,906)	(20)
Cash with commercial banks (Local)		190,303	46,151
<b>Total</b>		<b>159,397</b>	<b>46,131</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

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

	Note	2009/10 R'000	2008/09 R'000	
<b>17. Contingent Liabilities and Contingent Assets</b>				
<b>17.1 Contingent Liabilities</b>				
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	Annexure 2A	21	51
Claims against the department		Annexure 2B	150	-
Other departments (interdepartmental unconfirmed balances)		Annexure 4	2,003	451
Other		Annexure 2B	332	500
<b>Total</b>			<b>2,506</b>	<b>1,002</b>
<b>17.2 Contingent Assets</b>				
<b>Nature of contingent asset</b>				
Possible recovery of funds from the City of Cape Town for the upgrading of the Jakkalsvlei Canal: Joe Slovo: Langa. (In terms of the agreement with the City of Cape Town, the Department is to engage with the City of Cape Town to investigate the possibility of the City providing for the amount in their next budget to re-imburse the funding to the Department).		27,000	-	
<b>Total</b>		<b>27,000</b>	<b>-</b>	
<b>18. Commitments</b>				
<b>Current expenditure</b>				
Approved and contracted		4,671	12,920	
Approved but not yet contracted		14	731	
		<b>4,685</b>	<b>13,651</b>	
<b>Capital Expenditure (including transfers)</b>				
Approved and contracted		186,128	44	
Approved but not yet contracted		-	135	
		<b>186,128</b>	<b>179</b>	
<b>Total</b>		<b>190,813</b>	<b>13,830</b>	

Included in the amount of R4,671,000 is R3,597,309, being the Department's obligation in terms of a 3 year contract with the Special Investigative Unit (SIU), which terminates on 30 April 2011. The amount paid to the SIU in 2009/10 amounted to R3,957,048.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

19. Accruals	Note	2009/10		2008/09	
		30 Days	30+ Days	Total	Total
<b>Listed by economic classification</b>					
Goods and services		1,656	2,832	4,488	10,211
Transfers and subsidies		39,794	52,384	92,178	58,799
Machinery and equipment		-	54	54	-
<b>Total</b>		<b>41,450</b>	<b>55,270</b>	<b>96,720</b>	<b>69,010</b>
<b>Listed by programme level</b>					
Programme 1: Administration				977	2,002
Programme 2: Housing				95,684	66,825
Programme 3: Local Government				59	183
<b>Total</b>				<b>96,720</b>	<b>69,010</b>
Confirmed balances with departments				-	1
<b>Total</b>				<b>-</b>	<b>1</b>

Accruals are based on the invoice date. Invoices are paid within 30 days of receipt, but with Housing subsidies payment is effected within 30 days of certification of the claim by the Department's inspectors as per the agreements with the municipalities. Therefore, with subsidies, the 30 days starts running after certification of the claims.

20. Employee Benefits

Leave entitlement	3,693	4,059
Service bonus (Thirteenth cheque)	4,131	3,534
Performance awards	2,749	2,348
Capped leave commitments	6,596	6,222
<b>Total</b>	<b>17,169</b>	<b>16,163</b>

21. Lease Commitments

21.1 Operating Leases 2009/10	Buildings & Machinery other fixed and structures equipment			Total R'000
	Land	structures	equipment	
Not later than 1 year	-	-	868	868
Later than 1 year and not later than 5 years	-	-	24	24
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>892</b>	<b>892</b>
<b>2008/09</b>				
Not later than 1 year	-	-	690	690
Later than 1 year and not later than 5 years	-	-	435	435
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>1,125</b>	<b>1,125</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

21.2 Finance Leases 2009/10	Buildings & Machinery other fixed and structures equipment			Total
	Land	structures	equipment	
Not later than 1 year	-	-	649	649
Later than 1 year and not later than 5 years	-	-	57	57
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>706</b>	<b>706</b>
LESS: finance costs	-	-	31	31
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>675</b>	<b>675</b>
<b>2008/09</b>				
Not later than 1 year	-	-	1,073	1,073
Later than 1 year and not later than 5 years	-	-	423	423
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>1,496</b>	<b>1,496</b>
LESS: finance costs	-	-	109	109
<b>Total present value of lease liabilities</b>	<b>-</b>	<b>-</b>	<b>1,387</b>	<b>1,387</b>

The Department has leased assets (cellphone & datacard agreements) under finance leases amounting to R2,246,700 (2009: R2,007,600).

22. Receivables for Departmental Revenue	Note	2009/10		2008/09	
		R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets		-	-	-	11
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>

Excluded from the above are irregular subsidies allocated to non-qualifying beneficiaries which is being recovered by the Special Investigative Unit (SIU). A total amount of R4,632,045 was claimed by the SIU, of which R518,136 was received by the Department in 2009/10. (In 2008/09 an amount of R459,825 was paid into the National Revenue Fund by the SIU.) The total amount outstanding as at 31/03/2010, including accumulated interest of R937,512, is R4,591,596. This is further discussed under paragraph 17 of the Accounting Officer's Report dealing with investigations.

23. Irregular Expenditure

23.1 Reconciliation of Irregular Expenditure

Opening balance	-	5,290
Add: Irregular expenditure - relating to prior year	987	321
Add: Irregular expenditure - relating to current year	2,628	413
Less: Amounts condoned	(3,290)	(5,813)
Less: Amounts recoverable (not condoned)	(325)	(211)
<b>Irregular expenditure awaiting condonation</b>	<b>-</b>	<b>-</b>

The Department had 6 incidents of irregular expenditure relating to the prior year, all of which were due to the contravention of the prescripts in the procurement of goods and services. Of this, R205,640 was not condoned and transferred to receivables for recovery. Disciplinary steps are still in progress.



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

	2009/10 R'000
<b>23.2 Details of Irregular Expenditure - Current Year</b>	
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>
Irregular procurement of goods and services (contravention of the procurement prescripts)	Still in progress (17 Incidents) 2,308
	Verbal warning (5 Incidents) 138
	Corrective counseling (1 Incident) 14
	Written warning (1 Incident) 168
	<b>2,628</b>

The Department had 24 incidents of irregular expenditure relating to the current year, all due to the contravention of the procurement prescripts. A total amount of R119,658 was not condoned, and transferred to receivables for recovery.

The Provincial Treasury indicated to the Department and the Auditor-General that the Department might have incurred irregular expenditure of R84,760,000 on the payment of housing subsidies to municipalities. The matter arose from the fact that transfers to certain municipalities exceeded the appropriated and gazetted amounts in terms of the Western Cape Appropriation and Adjustments Acts (Act 3 & 8 of 2009), as well as section 43 of the Division of Revenue Act, 2009 (Act 12 of 2009). The Department is not in agreement with the Provincial Treasury and the matter was escalated to the National Treasury for a verdict. The response from National Treasury is still awaited.

**23.3 Details of Irregular Expenditure Condoned**

	2009/10 R'000
<b>Incident</b>	<b>Condoned by (condoning authority)</b>
Irregular procurement of goods and services (contravention of the procurement prescripts)	Accounting Officer 3,290
	<b>3,290</b>

Irregular expenditure condoned consists of 30 incidents (6 incidents in 2008/09 and 24 incidents in 2009/10). In total, this amounted to R3 614 979 of which R3 289 640 was condoned and R325 338 not condoned. The expenditure iro 4 incidents were partly condoned and partly not condoned, and the expenditure of 26 incidents were fully condoned.

**23.4 Details of Irregular Expenditure Recoverable (Not Condoned)**

	2009/10 R'000
<b>Incident</b>	<b>Condoning authority</b>
Irregular procurement of goods and services (contravention of the procurement prescripts)	Accounting Officer 325
	<b>325</b>

**24. Fruitless and Wasteful Expenditure**

**24.1 Reconciliation of Fruitless and Wasteful Expenditure**

Fruitless and wasteful expenditure – relating to prior year	-	34
Fruitless and wasteful expenditure – relating to current year	-	31
Less: Amounts transferred to receivables for recovery	-	(65)
<b>Fruitless and wasteful expenditure awaiting</b>	<b>-</b>	<b>-</b>

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2010**

**25. Related Party Transactions**

Thubelisha Homes, a National public entity, managed the N2 Gateway project. The total amounts transferred to them were R12,601,729 for housing subsidies, R3,513,319 for project management fees and R8,000,000 for security services. All transactions (revenue and expenditure) in respect of WCHDF properties were accounted for in the Department's financial records. The Department occupies a building (27 Wale street building) free of charge, which building is the property of the WC: Department of Transport and Public Works. All maintenance costs, municipal rates and taxes and municipal and cleaning services in respect of the building are paid for by the WC: Department of Transport and Public Works. The Department also uses IT infrastructure provided by the Department of the Premier free of charge. Furthermore, internal audits are conducted in the Department free of charge by the Internal Audit Directorate of the WC: Provincial Treasury.

**26. Key Management Personnel**

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political office bearers (provide detail below)	1	1,336	945
Officials:			
Level 15 to 16	3	3,801	2,948
Level 14 (incl CFO if at a lower level)	4	3,322	2,703
Family members of key management personnel		-	457
<b>Total</b>		<b>8,459</b>	<b>7,053</b>

Included in total remuneration for 2009/10 are performance bonuses of R121,171 paid to SMS members. No related party transactions were concluded with key management personnel or family members of key management personnel.

**27. Provisions**

	Note	2009/10 R'000	2008/09 R'000
<b>Potential irrecoverable debts</b>			
Households and non profit institutions		253	195
Private enterprises		4,967	4,990
Staff debtors		106	154
Other debtors		602	3
<b>Total</b>		<b>5,928</b>	<b>5,342</b>

**28. Non-adjusting Events after the Reporting Date**

See paragraph 12 of the Accounting Officer's report.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

29. Movable Tangible Capital Assets

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

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>22,502</b>	<b>-</b>	<b>2,763</b>	<b>399</b>	<b>24,866</b>
Transport assets	31	-	-	-	31
Computer equipment	18,450	31	2,415	368	20,528
Furniture and office equipment	2,305	32	189	-	2,526
Other machinery and equipment	1,716	(63)	159	31	1,781
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>22,502</b>	<b>-</b>	<b>2,763</b>	<b>399</b>	<b>24,866</b>

29.1 Additions

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

	Cash R'000	Non-cash R'000	(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
<b>MACHINERY AND EQUIPMENT</b>	<b>2,747</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>2,763</b>
Computer equipment	2,415	-	-	-	2,415
Furniture and office equipment	189	-	-	-	189
Other machinery and equipment	143	-	-	16	159
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>2,747</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>2,763</b>

29.2 Disposals

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

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>31</b>	<b>368</b>	<b>399</b>	<b>7</b>
Computer equipment	-	368	368	-
Other machinery and equipment	31	-	31	7
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>31</b>	<b>368</b>	<b>399</b>	<b>7</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

29.3 Movement for 2008/09

MOVEMENT IN MOVABLE 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
<b>MACHINERY AND EQUIPMENT</b>	<b>17,817</b>	<b>5,221</b>	<b>536</b>	<b>22,502</b>
Transport assets	-	520	489	31
Computer equipment	14,838	3,612	-	18,450
Furniture and office equipment	1,464	841	-	2,305
Other machinery and equipment	1,515	248	47	1,716
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>17,817</b>	<b>5,221</b>	<b>536</b>	<b>22,502</b>

30. Minor Assets

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	1,321	86	10,464	-	11,871
<b>TOTAL</b>	<b>1,321</b>	<b>86</b>	<b>10,464</b>	<b>-</b>	<b>11,871</b>
Number of R1 minor assets	-	1	10	-	11
Number of minor assets at cost	524	87	9,742	-	10,353
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>524</b>	<b>88</b>	<b>9,752</b>	<b>-</b>	<b>10,364</b>

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

Minor Assets	1,126	86	9,791	-	11,003
<b>TOTAL</b>	<b>1,126</b>	<b>86</b>	<b>9,791</b>	<b>-</b>	<b>11,003</b>
Number of minor assets	449	87	8,219	-	8,755
<b>TOTAL</b>	<b>449</b>	<b>87</b>	<b>8,219</b>	<b>-</b>	<b>8,755</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

31. Intangible Capital Assets

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

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
	COMPUTER SOFTWARE	385	-	102	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>385</b>	<b>-</b>	<b>102</b>	<b>-</b>	<b>487</b>

31.1 Additions

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

	Cash	Non-cash	Recieved (Development work-in-progress current costs)	Recieved current, not paid (Paid current year, received)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	102	-	-	-	102
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102</b>

31.2 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	275	110	-	385
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>275</b>	<b>110</b>	<b>-</b>	<b>385</b>

32. 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 dept	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
Department of Human Settlements (Housing subsidies)	1,581,425	-	-	-	1,581,425	1,581,425	1,497,437	95	1,305,862	1,305,862
	<b>1,581,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,581,425</b>	<b>1,581,425</b>	<b>1,497,437</b>		<b>1,305,862</b>	<b>1,305,862</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER	SPENT			2008/09	
	Amount	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	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>Masterplanning:</b>										
Mun: Cape Agulhas	-	-	100	100	100	100	100	100	100	-
Mun: Cederberg	-	-	200	200	-	-	-	-	-	-
Mun: Drakenstein	-	-	-	-	-	-	-	-	-	59
Mun: George	-	-	-	-	-	-	-	-	-	813
Mun: Knysna	-	-	-	-	-	-	-	-	-	100
Mun: Hessequa	-	-	200	200	200	100	200	200	100	100
Mun: Bitou	-	-	-	-	-	-	-	-	-	100
Mun: Matzikama	-	-	50	50	50	100	50	50	100	-
Mun: Mosselbay	-	-	-	-	-	-	-	-	-	63
Mun: Prince Albert	-	-	-	-	-	-	-	-	-	61
Mun: Saldanha Bay	-	-	-	-	-	-	-	-	-	62
Mun: Stellenbosch	-	-	100	100	100	100	100	100	100	100
Mun: Swartland	-	-	150	150	150	100	150	150	100	100
Mun: Swellendam	-	-	100	100	-	-	-	-	-	-
Mun: Theewaterskloof	-	-	250	250	250	100	250	250	100	-
Cape Wineland district municipality	-	-	350	350	350	100	350	350	100	-
<b>Aerial Fire-fighting assistance:</b>										
Overberg district municipality	280	-	-	280	280	100	280	280	100	255
Mun: City Cape Town	500	-	-	500	500	100	500	500	100	425
Eden district	280	-	-	280	280	100	280	280	100	255
West Coast district municipality	280	-	-	280	280	100	280	280	100	255
Cape Winelands district municipality	280	-	-	280	280	100	280	280	100	255
Central Karoo district municipality	280	-	-	280	280	100	280	280	100	255
<b>Provincial MSP:</b>										
Mun: Cederberg	-	-	180	180	180	100	180	180	100	1,250
Overberg district municipality	-	-	-	-	-	-	-	-	-	560
Mun: Kannaland	-	-	-	-	-	-	-	-	-	2,000
West Coast district municipality	-	-	250	250	250	100	250	250	100	300
Mun: Witzenberg	-	-	-	-	-	-	-	-	-	248
Mun: Drakenstein	-	-	-	-	-	-	-	-	-	503
Mun: Hessequa	-	-	-	-	-	-	-	-	-	120

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1A

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES (Cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount	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	Actual Transfer
	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	%	R ' 000	R ' 000	%	R ' 000
Mun: Swartland	-	-	250	250	250	100	250	250	100	-
Mun: Breede valley	-	-	454	454	454	100	454	454	100	-
Mun Hessequa	-	-	230	230	230	100	230	230	100	-
Mun: Mossel bay	-	-	250	250	250	100	250	250	100	-
Mun: Bitou	-	-	325	325	325	100	325	325	100	-
Mun: Knysna	-	-	350	350	350	100	350	350	100	-
<b>Municipal rates and taxes:</b>										
Mun: City of Cape Town	19,429	-	-	19,429	19,429	100	19,429	19,429	100	12,354
Mun: Drakenstein	-	-	-	-	-	-	-	-	-	1,203
Mun: George	-	-	-	-	-	-	-	-	-	15
Mun: Saldanha Bay	18	-	-	18	18	100	18	18	100	320
Mun: Breede Valley	-	-	-	-	-	-	-	-	-	115
Mun: Stillebosch	83	-	-	83	83	100	83	83	100	253
Mun: Breede Valley	141	-	-	141	141	100	141	141	100	-
<b>CDW Operational cost grant</b>										
Mun: Cape Wineland	-	-	-	-	-	-	-	-	-	100
Mun: Central Karoo	120	-	(24)	96	96	100	96	96	100	170
Mun: Eden	-	-	-	-	-	-	-	-	-	100
Mun: Overberg	-	-	-	-	-	-	-	-	-	50
Mun: Beaufort-West	240	-	24	264	240	91	240	240	100	240
Mun: Berg river	72	-	(24)	48	48	100	48	48	100	72
Mun: Bitou	72	-	-	72	72	100	72	72	100	72
Mun: Breede Valley	216	-	-	216	216	100	216	216	100	306
Mun: Cederberg	240	-	(24)	216	216	100	216	216	100	240
Mun: Drakenstein	168	-	-	168	-	-	-	-	-	168
Mun: George	72	-	24	96	72	75	72	72	100	72
Mun: Kannaland	168	-	-	168	168	100	168	168	100	168
Mun: Knysna	72	-	(24)	48	-	-	-	-	-	162
Mun: Laingsburg	120	-	-	120	120	100	120	120	100	120
Mun: Hessequa	72	-	(24)	48	48	100	48	48	100	162
Mun: Matzikama	192	-	-	192	192	100	192	192	100	192
Mun: Mossel Bay	96	-	24	120	120	100	120	120	100	-
Mun: Oudtshoorn	72	-	-	72	72	100	72	72	100	162
Mun: Overstrand	96	-	-	96	96	100	96	96	100	96
Mun: Prince Albert	120	-	(24)	96	96	100	96	96	100	120
Mun: Saldanha Bay	72	-	-	72	72	100	72	72	100	72

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1A

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES (Cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount	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	Actual Transfer
	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	%	R ' 000	R ' 000	%	R ' 000
Mun: Stellenbosch	120	-	-	120	120	100	120	120	100	120
Mun: Swartland	48	-	24	72	48	67	48	48	100	48
Mun: Swellendam	120	-	(24)	96	96	100	96	96	100	120
Mun: Theewaterkloof	240	-	(24)	216	216	100	216	216	100	240
Mun: Witzenberg	216	-	-	216	216	100	216	216	100	216
Mun: West Coast	72	-	24	96	72	75	72	72	100	172
Mun: Langeberg	-	-	48	48	-	-	-	-	-	90
Mun: Cape Agulhas	48	-	-	48	48	100	48	48	100	48
<b>Housing Consumer Education:</b>										
Mun: Bitou	-	-	50	50	-	-	-	-	-	-
Mun: Overstrand	-	-	150	150	150	100	150	150	100	-
Mun: Oudtshoorn	-	-	50	50	50	100	50	50	100	-
Mun: Matzikama	-	-	30	30	30	100	30	30	100	-
Mun: Cederberg	-	-	50	50	50	100	50	50	100	-
Mun: Bergriver	-	-	50	50	50	100	50	50	100	-
Mun: Saldanha Bay	-	-	150	150	150	100	150	150	100	-
Mun: Swartland	-	-	50	50	50	100	50	50	100	-
Mun: George	-	-	200	200	200	100	200	200	100	-
Mun: Beaufort-West	-	-	100	100	100	100	100	100	100	-
Mun: Witzenberg	-	-	43	43	43	100	43	43	100	-
Mun: Drakenstein	-	-	43	43	43	100	43	43	100	-
Mun: Stellenbosch	-	-	43	43	43	100	43	43	100	-
Mun: Breede valley	-	-	43	43	43	100	43	43	100	-
Mun: Langeberg	-	-	43	43	43	100	43	43	100	-
Cape Winelands district municipality	-	-	35	35	35	100	35	35	100	-
Mun: Kannaland	-	-	30	30	-	-	-	-	-	-
Mun: Hessequa	-	-	50	50	50	100	50	50	100	-
Mun: Mossel bay	-	-	50	50	50	100	50	50	100	-
Mun: Knysna	-	-	50	50	50	100	50	50	100	-
Eden district	-	-	50	50	50	100	50	50	100	-
<b>Research:</b>										
<b>Sustainable low cost housing</b>										
City of Cape Town	-	-	2,500	2,500	2,500	100	2,500	2,500	100	-
<b>Housing research grant</b>										
Mun: Knysna	-	-	1,000	1,000	-	-	-	-	-	-
<b>Settlement assistance</b>										
City of Cape Town	-	-	1,000	1,000	1,000	100	1,000	1,000	100	-

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1A

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES (Cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2008/09
	Amount	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	Actual Transfer
	R ' 000	R ' 000	R ' 000	R ' 000	R ' 000	%	R ' 000	R ' 000	%	R ' 000
<b>Bulk water and waste infrastructure Planning Grant</b>										
West Coast district municipality	-	-	1,500	1,500	1,500	100	1,500	1,500	100	-
Cape Winelands district municipality	-	-	1,000	1,000	1,000	100	1,000	1,000	100	-
Overberg district municipality	-	-	1,000	1,000	1,000	100	1,000	1,000	100	-
Eden district municipality	-	-	1,000	1,000	1,000	100	1,000	1,000	100	-
Central Karoo district municipality	-	-	1,000	1,000	1,000	100	1,000	1,000	100	-
<b>Total</b>	<b>24,715</b>	<b>-</b>	<b>15,125</b>	<b>39,840</b>	<b>38,100</b>		<b>38,100</b>	<b>38,100</b>		<b>26,397</b>
Municipality Breede River/Winelands (2008/09); now Municipality Langeberg.										

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1B

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY ACCOUNT	TRANSFER ALLOCATION				Transfer		2008/09
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
National Sea Rescue Institute (NSRI)	275	-	-	275	275	100	275
SA Local Government Association (SALGA)	500	-	-	500	500	100	-
<b>Total</b>	<b>775</b>	<b>-</b>	<b>-</b>	<b>775</b>	<b>775</b>	<b>-</b>	<b>275</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1C

## STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS

UNIVERSITY/ TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2008/09
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available Funds	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
University of Cape Town	1,500	-	-	1,500	1,500	-	100	1,500
<b>Total</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>		<b>1,500</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1D

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2008/2009
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds	Capital	Current	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
<b>Transfers</b>									
Yethu Civics	1,201	-	-	1,201	1,201	100	-	1,201	-
<b>Total</b>	<b>1,201</b>	<b>-</b>	<b>-</b>	<b>1,201</b>	<b>1,201</b>		<b>-</b>	<b>1,201</b>	<b>-</b>

Payment for services rendered by professional team, previously employed by Mama's Community Housing Centre, on the Mama's housing project in Pelican Park.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1E

## STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2008/2009
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Lifesaving SA	275	-	-	275	275	100	275
<b>Total</b>	<b>275</b>	<b>-</b>	<b>-</b>	<b>275</b>	<b>275</b>		<b>275</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1F

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/2009
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Bursaries (non-employees)	206	-	8	214	214	100	212
Employee social benefits - Injury on duty	1	-	-	1	1	100	19
Employee social benefits - Leave gratuity	110	-	153	263	254	97	670
Employee social benefits - Severance Package	-	-	-	-	-	-	867
Post retirement benefits	183	-	(2)	181	181	100	191
<b>Sub-total</b>	<b>500</b>	<b>-</b>	<b>159</b>	<b>659</b>	<b>650</b>		<b>1,959</b>
<b>Subsidies</b>							
Integrated housing and human settlement development grant	1,533,982	-	-	1,533,982	1,455,928	95	1,263,636
Provincial housing accelerating grant	26,500	-	(5,947)	20,553	20,553	100	47,883
<b>Sub-total</b>	<b>1,560,482</b>	<b>-</b>	<b>(5,947)</b>	<b>1,554,535</b>	<b>1,476,481</b>		<b>1,311,519</b>
<b>Total</b>	<b>1,560,982</b>	<b>-</b>	<b>(5,788)</b>	<b>1,555,194</b>	<b>1,477,131</b>		<b>1,313,478</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS,  
REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
	R'000	R'000
<b>Paid in cash</b>		
South African Housing Foundation: Donation/sponsorship for annual international housing conference, exhibition and awards	100	50
SA Local Government association (SALGA): Sponsorship for the Provincial Members Assembly of SALGA in the Western Cape	-	100
Laingsburg municipality: Donation/sponsorship for Mayoral golf day.	-	10
Laingsburg municipality: Donation/sponsorship for the 2009 Karoo ultra marathon	10	20
Mitchell's Plain peoples forum: Donation/sponsorship as part of the Department's commitment toward the social transformation programme	-	60
Gender Advocacy programme: Donation for the Provincial Gender Machinery	-	20
Greater bulls disabled sports club: Donation/sponsorship for assistance with community upliftment for people living with a disability	-	25
Western Cape Fire Fighters Association: Donation/ sponsorship to send a fire fighting team to the fire fighting games in Liverpool	-	55
Donation/sponsorship for the Green Home Green Garden competition	-	40
Khayelitsha Development Forum (KDF)	60	-
<b>Subtotal</b>	<b>170</b>	<b>380</b>
<b>Made in kind</b>		
Personalised and branded diaries for management staff	-	99
Tickets for the Cape Jazz Festival to show support for Provincial initiatives and to offer the tickets to staff as a motivational tool and to show appreciation for good performance	-	49
Supply of materials to provide a house for a disabled couple whose shack dwelling in Khayelitsha was destroyed by a runaway car	-	47
Food vouchers for 24 participants of the 1 000 volunteer programme	-	12
Book, entitled Consolidating Developmental Local Government, donated to Mayors at Vuna awards	-	10
Hire of sound and PA system for funeral service of Irene Booysen (Grootboom funeral)	-	10
USB-pens for media breakfast for budget speech	-	9
Peak caps for Women Housing Indaba - Kimberley	-	11
Sympathy flowers/fruit baskets and other gifts and donations	8	41
Easter eggs for church charity	1	-
Trophies for poetry competition: Fire and flood awareness campaign at schools	1	-
<b>Subtotal</b>	<b>10</b>	<b>288</b>
<b>Total</b>	<b>180</b>	<b>668</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 2A

## STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2010 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guarantee	Opening balance	Guarantees draw	Guaranteed repayments/	Revaluations	Closing balance	Guaranteed interest	Realised losses not
		d capital amount	1 April 2009	downs during the year	cancelled/reduced/released during the year		31 March 2010	for year ended 31 March 2010	recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
First National Bank	Housing	98	19	-	-	-	19	-	-
ABSA	Housing	655	28	36	62	-	2	-	-
<b>Total</b>		<b>753</b>	<b>47</b>	<b>36</b>	<b>62</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>-</b>



WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 2B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010

Nature of liability	Opening balance 1 April 2009	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recovered (Provide details hereunder)	Closing balance 31 March 2010
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Erasmus Commission	500	-	500	-	-
JC de Jongh/GPSSBC & Department of Local Government and Housing	-	150	-	-	150
<b>Sub-total</b>	<b>500</b>	<b>150</b>	<b>500</b>	<b>-</b>	<b>150</b>
<b>Other</b>					
Minister of Local Government and Housing: Western Cape/Occupants of Joe Slovo informal settlement	-	126	-	-	126
Minister of Local Government and Housing: Western Cape/Various illegal occupiers (Mandela Park)	-	56	-	-	56
Minister of Local Government and Housing: Western Cape/lthemba farmers	-	150	-	-	150
<b>Sub-total</b>	<b>-</b>	<b>332</b>	<b>-</b>	<b>-</b>	<b>332</b>
<b>Total</b>	<b>500</b>	<b>482</b>	<b>500</b>	<b>-</b>	<b>482</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

ANNEXURES 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
<b>Department</b>						
<b>Provincial Government Western</b>						
Dept of Community Safety	-	25	-	-	-	25
Dept of Education	-	74	-	-	-	74
Dept of Health	-	49	-	-	-	49
Dept of Transport and Public Works	-	-	1	558	1	558
Dept of Social Development	-	-	-	48	-	48
<b>National Departments</b>						
Deputy Ministry of Provincial and Local Government	-	-	-	1	-	1
National Department: Human Settlements	-	-	22	-	22	-
<b>Other Departments</b>						
Prov. Government KwaZulu Natal (Dept. of Traditional Affairs and Local Government)	-	-	190	-	190	-
Eastern Cape Provincial Government: Local Government, Housing and Traditional Affairs	-	-	-	4	-	4
Province of the Eastern Cape: Health	-	-	10	-	10	-
Province of the Eastern Cape: Education	-	-	13	-	13	-
Free State Provincial Government: Local Government and Housing	-	-	-	2	-	2
Mpumalanga Provincial Government: Housing	-	-	2	19	2	19
Limpopo Provincial Government: Local	-	-	7	5	7	5
North West Provincial Government: Local	-	-	3	1	3	1
Statistics SA	-	-	11	-	11	-
<b>Total</b>	<b>-</b>	<b>148</b>	<b>259</b>	<b>638</b>	<b>259</b>	<b>786</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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
<b>DEPARTMENTS</b>						
<b>Current</b>						
<b>Amounts not included in Statement of Financial Position:</b>						
<b>Provincial Government Western Cape</b>						
Department of the Premier	-	-	1	48	1	48
Department of Transport & Public Works	-	-	1,798	358	1,798	358
Department of Education	-	1	-	-	-	1
Department of Health	-	-	67	-	67	-
National Commissioner: SAPS	-	-	-	19	-	19
Department of Justice and Constitutional Development	-	-	103	-	103	-
<b>Other Departments &amp; institutions:</b>						
Department of Human Settlements:	-	-	2	-	2	-
KZN	-	-	-	-	-	-
PALAMA	-	-	32	26	32	26
<b>Total</b>	<b>-</b>	<b>1</b>	<b>2,003</b>	<b>451</b>	<b>2,003</b>	<b>452</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING  
VOTE 8

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

## ANNEXURE 5

## INVENTORY

	Note	Quantity	2009/10 R'000
<b>Inventory</b>			
Opening balance		20,306	651
Add/(Less): Adjustments to prior year balances		(1,250)	(37)
Add: Additions/Purchases - Cash		52,048	1,957
Add: Additions - Non-cash		314	4
(Less): Disposals		(208)	(102)
(Less): Issues		(51,295)	(2,195)
Add/(Less): Adjustments		(303)	(2)
Closing balance		<b>19,612</b>	<b>276</b>

The inventory mainly consist of stationery and printing supplies. Excluded from the above, is expenditure of R190,000,000 iro (Departmental housing projects R9,000,000 and contracts ceded from Tubelisha Homes on the N2 Gateway R181,000,000). It is not known at this stage if any of these developments (sites/houses) have been transferred to the beneficiaries or what the opening balance of the sites/houses not yet transferred was on 1 April 2009.



## PART 4: HUMAN RESOURCE MANAGEMENT



## PART 4: HUMAN RESOURCE MANAGEMENT

### (OVERSIGHT REPORT)

#### 4.1 SERVICE DELIVERY

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan, as well as progress made in the implementation of the plans.

Table 4.1.1: Main services provided and standards

Main Service	Recipients of Service	Proposed Service Standard	Actual achievement against standards
Supporting Municipalities to deliver Credible Human Settlement Plans (HSP's)	Housing Planning Units within municipalities	To provide support to municipalities in order to deliver Credible HSP's with projects based on Isidima Principles	The Department supported twenty-eight municipalities in developing their Human Settlement Spatial Plans & to ensure that it is aligned to their IDPs. Two outstanding municipalities are Eden and Overberg who do not have housing responsibilities.
To implement the Performance Management Systems at municipalities	Municipalities	To support municipalities with enhanced PMS to increase performance	The following municipalities were supported: Central Karoo; Prince Albert; Beaufort West; Laingsburg; Drakenstein; Witzenberg; Swellendam; Overberg District; Swartland; West Coast District; Saldanha; Matzikama; Bitou; Knysna; Mosselbay; Hessequa; Breede Valley; Theewaterskloof; Breede River; and Cape Winelands
To provide support to municipalities with the implementation of General Valuation Rolls in terms of the Municipal Property Rates Act [MPRA]	Municipalities	Provide legal support, assistance and interpretation of the Municipal Property Rates Act, [MPRA] to 15 municipalities.	The following municipalities were supported: Central Karoo; Prince Albert; Beaufort West; Laingsburg; Drakenstein; Witzenberg; Swellendam; Overberg District; Swartland; West Coast District; Saldanha; Matzikama; Bitou; Knysna; Mosselbay; Hessequa; Breede Valley; Theewaterskloof; Breede River; and Cape Winelands

Table 4.1.2: Consultation arrangements with customers

Type of arrangement	Recipients of Service	Actual Consultation Arrangement
Supporting Municipalities to deliver Credible Human Settlement Plans (HSP's)	Municipalities	Site visits/hands on support; Provincial and local level visits; Information sessions; Workshops; One-on-one meetings; Quarterly District municipal meetings; IGR Forums; and Written communication
To implement the Performance Management Systems at municipalities	Municipalities	Telephonic discussions & Municipal visits
To provide support to municipalities with the implementation of General Valuation Rolls in terms of the Municipal Property Rates Act [MPRA]	Municipalities	Telephonic discussions & Municipal visits

Table 4.1.3: Service delivery access strategy

What Strategies have been developed to promote access to the departments services	Actual achievements
The department has email, website, telephonic services which can be utilised by municipalities to access the department's services.	The department has managed to reach all thirty municipalities using different systems to provide its services to municipalities. Telephonic discussions & Municipal visits.
The department visits municipalities as part of providing its services.	

Table 4.1.4 : Service information tool

Tools utilised to convey information of services	Actual achievements
Municipalities access the departmental information by means of information technology tools such as the departmental website.	Municipalities are aware of the department's services.
The department also utilises IGR structures to convey information of services to municipalities.	

Table 4.1.5: Complaints mechanism

Mechanisms in place to deal with complaints received	Generic summary of complaints received in each instance including totals and percentage remaining unresolved
Municipalities utilise IGR structures, meetings with the Department, and municipal visits to raise their complaints.	The department is regularly updated with municipal complaints through their interactions with the department.

#### 4.2. EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary bands (Table 4.2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

TABLE 4.2.1: Personnel costs by programme, 2009/10

Programme	Total Expenditure (R'000)	Compensation of Employees/ Social Contributions (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)	Total Number of Employees
1 – Administration	83,095	49,988	790	33,107	60,16%	222	225
2 – Housing	103,089	57,326	279	45,763	55,61%	245	234
3 – Local Government	72,848	57,243	72	15,605	78,58%	205	279
<b>Total</b>	<b>259,032</b>	<b>164,557*</b>	<b>1,141</b>	<b>94,475</b>	<b>63,53%</b>	<b>223</b>	<b>738</b>

TABLE 4.2.2: Personnel costs by salary bands, 2009/10

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Number of Employees
Lower skilled (Levels 1-2)	913	0.6%	57	16
Skilled (Levels 3-5)	17,240	10.7%	106	163
Highly skilled production (Levels 6-8)	61,535	38.4%	170	363
Highly skilled supervision (Levels 9-12)	61,876	38.6%	356	174
Senior management (Levels 13-16)	18,867	11.8%	858	22
<b>Total</b>	<b>160, 422*</b>	<b>100%</b>	<b>217</b>	<b>738</b>

\* The cost reflected here, includes expenditure with regard to Permanent Personnel, Contract Officials, Board Members and Interns, as per PERSAL. The figures in table 4.2.1 are per the Basic Accounting System and the figures in table 4.2.2 are per the PERSAL system. The difference in the figures between tables 4.2.1 and 4.2.2 above in respect of total personnel expenditure is due to the fact that table 4.2.2 does not include personnel expenditure (salaries) claimed and received from other departments. Furthermore, the two systems are not synchronised in respect of staff appointments and resignations and/or transfers to other Departments. Ultimately, the difference in the said personnel costs results in a difference between the figures for average personnel cost per employee.

The following tables provide a summary per programme (Table 4.2.3) and salary bands (Table 4.2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

TABLE 4.2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2009/10

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1 – Administration	35,656	22.2%	639	0.4%	933	0.6%	2,416	1.5%
2 – Housing	37,697	23.5%	1,156	0.7%	908	0.6%	2,359	1.5%
3 – Local Government	36,515	22.8%	581	0.4%	954	0.6%	3,296	2.1%
<b>Total</b>	<b>109,868</b>	<b>68.5%</b>	<b>2,376</b>	<b>1.5%</b>	<b>2,795</b>	<b>1.7%</b>	<b>8,071</b>	<b>5%</b>

TABLE 4.2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2009/10

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	659	0.4%	-	0%	54	0%	51	0%
Skilled (Levels 3-5)	11,864	7.4%	279	0.2%	550	0.3%	1,286	0.8%
Highly skilled production (Levels 6-8)	43,405	27.1%	1,351	0.8%	1,461	0.9%	4,511	2.8%
Highly skilled supervision (Levels 9-12)	43,341	27%	746	0.5%	460	0.3%	1,937	1.2%
Senior management (Levels 13-16)	10,599	6.6%	-	0%	270	0.2%	286	0.2%
<b>Total</b>	<b>109,868</b>	<b>68.5%</b>	<b>2,376</b>	<b>1.5%</b>	<b>2,795</b>	<b>1.7%</b>	<b>8,071</b>	<b>5%</b>

### 4.3. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). Departments have identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled as per the approved post establishment.

TABLE 4.3.1: Employment and vacancies by programme, 31 March 2010

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 – Administration	250	207	17.2%	19
2 – Housing	268	219	18.3%	15
3 – Local Government	297	272	8.4%	6
<b>Total</b>	<b>815</b>	<b>698</b>	<b>14.4%</b>	<b>40</b>

Of the **forty posts** filled additional to the establishment as at 31 March 2010 -

- The Department made use of **thirty** short-term contract appointees, who had a definite start and end date, appointed to render a supportive function to Line Management; and
- A total of **ten** foreign officials were appointed in the Department to establish better Professional and Technical services to communities.

TABLE 4.3.2: Employment and vacancies by salary bands, 31 March 2010

Salary bands	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	16	16	0%	-
Skilled (Levels 3-5)	181	148	18.2%	15
Highly skilled production (Levels 6-8)	397	357	10.1%	6
Highly skilled supervision (Levels 9-12)	196	156	20.4%	18
Senior management (Levels 13-16)	25	21	16%	1
<b>Total</b>	<b>815</b>	<b>698</b>	<b>14.4%</b>	<b>40</b>



TABLE 4.3.3: Employment and vacancies by critical occupation, 31 March 2010

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Architect	2	1	50%	3
Engineer	10	6	40%	7
Industrial Technician	6	3	50%	-
Project Manager	13	9	30.8%	1
Works Inspector	28	24	14.3%	-
Urban Designer	4	3	25%	-
<b>Total</b>	<b>63</b>	<b>46</b>	<b>27%</b>	<b>11</b>

The information in each case reflects the situation as at 31 March 2010. For an indication of changes in staffing patterns over the year under review, please refer to paragraph 4.5 in this section of the report.

Of the **eleven** posts filled additional to the establishment as at 31 March 2009 -

- **One** official was appointed to assist with the Community Participation Project (CDW's)
- A total of **ten** foreign officials were appointed in the Department to establish better Professional and Technical services to communities.

#### 4.4. JOB EVALUATION

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels nine and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

TABLE 4.4.1: Job Evaluation, 1 April 2009 to 31 March 2010

Salary bands	Number of posts	Number of Jobs Evaluated	% of posts evaluated by Salary Bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	16	-	-	-	-	-	-
Skilled (Levels 3-5)	181	25	13.8%	25	100%	-	-
Highly skilled production (Levels 6-8)	397	9	2.3%	1	11.1%	-	-
Highly skilled supervision (Levels 9-12)	196	26	13.3%	1	3.8%	-	-
Senior Management Service Band A	18	15	83.3%	-	-	-	-
Senior Management Service Band B	4	3	75%	-	-	-	-
Senior Management Service Band C	2	2	100%	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
<b>Total</b>	<b>815</b>	<b>80</b>	<b>9.8%</b>	<b>27</b>	<b>33.8%</b>	<b>-</b>	<b>-</b>

Of the **eighty** jobs evaluated -

- **Three** posts were re-evaluated on request of the responsible Manager ;
- **Eighteen** posts were evaluated and upgraded as a result of a Provincial Co-ordination process
- **Seven** posts with dual functions were upgraded and approved by the relevant Minister
- **Fifty-two** posts were envisaged for the split of the Department.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2009 to 31 March 2010

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	-	4	2	8
Male	3	-	5	2	10
<b>Total</b>	<b>5</b>	<b>-</b>	<b>9</b>	<b>4</b>	<b>18</b>
<b>Employees with a disability</b>					<b>-</b>

Of the **eighteen** employees whose salary positions were upgraded on the approved establishment -

- **Ten** employees occupy a post of Registry Clerk;
- **Five** employees occupy a post of Admin Clerk
- **One** employee occupies a post of Support Clerk/Driver
- **One** employee occupies a post of Senior Administrative Officer.
- **One** employee occupies a post of Records Manager

Of the **twenty-seven** posts upgraded –

- **Eighteen** incumbents were upgraded
- **Five** incumbents are already on a higher salary level due to Rank/Leg promotions
- **Four** posts were vacant

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**TABLE 4.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Admin Officer	1	7	9	Retention
Assistant Director	1	9	11	Retention
Chief Works Inspector	20	8	9	Retention
Deputy Director	2	11	12	Retention
Principal Personnel Officer	1	7	8	Retention
Secretary	1	5	7	Retention
Assistant Director	1	9	10	Re-evaluation of post (Lower graded)
Admin Clerk	9	5	6	Rank-leg promotion
Admin Officer	1	7	8	Rank-leg promotion
Assistant Director	5	9	10/11	Rank-leg promotion
Deputy Director	1	11	12	Rank-leg promotion
Groundsman	2	2	3	Rank-leg promotion
Registry Clerk	5	5	6	Rank-leg promotion
Secretary	1	5	6	Rank-leg promotion
Accounting Clerk	3	5	6	Rank-leg promotion
Project Manager	1	10	11	Excess employee acceptance of placement in a lower graded post
Messenger	1	2	3	Occupational Adjustment DPSA circular 3/2009
<b>Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2009/2010</b>				<b>56</b>
<b>Percentage of total employment (698)</b>				<b>8%</b>

**TABLE 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)**

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	-	10	8	20
Male	3	-	23	10	36
<b>Total</b>	<b>5</b>	<b>-</b>	<b>33</b>	<b>18</b>	<b>56</b>
<b>Employees with a disability</b>					<b>1</b>

#### 4.5. EMPLOYMENT CHANGES

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 4.5.1) and by critical occupations (Table 4.5.2). (These "critical occupations" should be the same as those listed in Table 4.3.3).

**TABLE 4.5.1: Annual turnover rates by salary band for the period 1 April 2009 to 31 March 2010**

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)	10	6	-	0%
Skilled (Levels 3-5)	157	55	42	26.8%
Highly skilled production (Levels 6-8)	374	21	28	7.5%
Highly skilled supervision (Levels 9-12)	152	44	32	21.1%
Senior Management Service Band A	16	3	5	31.3%
Senior Management Service Band B	4	2	2	50%
Senior Management Service Band C	2	-	-	-
Senior Management Service Band D	1	-	1	100%
<b>Total</b>	<b>716</b>	<b>131</b>	<b>110</b>	<b>15.2%</b>

**TABLE 4.5.2: Annual turnover rates by critical occupation for the period 1 April 2009 to 31 March 2010**

Occupation	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
Architect	4	3	3	75%
Engineer	13	8	7	54%
Industrial Technician	5	1	3	60%
Project Manager	7	2	1	14%
Works Inspector	22	8	4	18%
Urban Designer	3	-	-	-
<b>Total</b>	<b>54</b>	<b>22</b>	<b>18</b>	<b>33%</b>

Table 4.5.3 identifies the major reasons why staff left the department.

**Table 4.5.3: Reasons why staff is leaving the employ of the department**

Termination Type	Number	% of total
Death	3	0.4%
Resignation	25	3.4%
Expiry of contract	60	8.2%
Dismissal – operational changes	-	-
Dismissal – misconduct	2	0.3%
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	3	0.4%
Transfers to other Public Service Departments	17	2.3%
Other (Please specify)	-	-
<b>Total</b>	<b>110</b>	<b>100%</b>
<b>Total number of employees who left as a % of the total employment (738)</b>	<b>14.9%</b>	

Table 4.5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2009	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Architect	4	-	-	1	25%
Engineer	13	2	15%	2	15%
Industrial Technician	5	-	-	-	-
Project Manager	7	-	-	4	57%
Works Inspector	22	-	-	1	5%
Urban Designer	3	-	-	-	-
<b>Total</b>	<b>54</b>	<b>2</b>	<b>3.7%</b>	<b>8</b>	<b>15%</b>

Table 4.5.5: Promotions by salary band

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	OSDs*	OSDs as a % of Employee Salary Band*
Lower skilled (Levels 1-2)	10	-	-	5	50%	-	-
Skilled (Levels 3-5)	157	7	4%	69	44%	-	-
Highly skilled production (Levels 6-8)	374	16	4%	313	84%	-	-
Highly skilled supervision (Levels 9-12)	152	7	5%	77	51%	-	-
Senior management (Levels 13-16)	23	-	-	16	70%	-	-
<b>Total</b>	<b>716</b>	<b>30</b>	<b>4%</b>	<b>480</b>	<b>67%</b>	<b>-</b>	<b>-</b>

\*OSD's not finalised

Table 4.5.6: Granting of employee initiated severance packages by salary band

Category by Salary Band	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision (Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 4.6. Employment equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO) as on 31 March 2010

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	7	1	7	-	2	-	3	22
SMS Professionals	-	-	-	-	-	-	-	-	-
Professionals	56	94	2	22	65	92	2	16	349
Technicians and associate professionals	4	30	-	10	3	1	-	1	49
Clerks	36	51	3	7	54	104	2	24	281
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	3	-	-	-	-	-	-	-	3
Elementary occupations	1	10	-	-	1	1	-	2	15
<b>Total</b>	<b>102</b>	<b>192</b>	<b>6</b>	<b>46</b>	<b>123</b>	<b>200</b>	<b>4</b>	<b>46</b>	<b>719</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>19</b>

Table 4.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	-	-	-	-	-	-	-	-	-
Senior Management	2	7	1	7	-	2	-	3	22
Professionally qualified	8	21	1	13	2	12	-	9	66
Skilled technical	27	57	1	17	23	47	2	13	187
Semi-skilled	62	98	3	9	97	138	2	19	428
Unskilled	3	9	-	-	1	1	-	2	16
<b>Total</b>	<b>102</b>	<b>192</b>	<b>6</b>	<b>46</b>	<b>123</b>	<b>200</b>	<b>4</b>	<b>46</b>	<b>719</b>
<b>Employees with disabilities</b>	<b>3</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>19</b>

Table 4.6.3: Recruitment for the period 1 April 2009 to 31 March 2010 (External)

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	-	-	-	-	-	-	-	-	-
Senior Management	1	2	-	-	-	-	-	2	5
Professionally qualified	2	8	1	4	-	7	-	-	22
Skilled technical	11	3	-	4	7	5	-	4	34
Semi-skilled	7	18	1	-	14	18	1	5	64
Unskilled	1	3	-	-	1	-	-	1	6
<b>Total</b>	<b>22</b>	<b>34</b>	<b>2</b>	<b>8</b>	<b>22</b>	<b>30</b>	<b>1</b>	<b>12</b>	<b>131</b>
<b>Employees with disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





Table 4.6.4: Promotions for the period 1 April 2009 to 31 March 2010 (Internal)

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	-	-	-	-	-	-	-	-	-
Senior Management	-	1	-	-	-	-	-	1	2
Professionally qualified	1	-	-	1	-	-	-	1	3
Skilled technical	1	6	-	2	2	7	1	1	20
Semi-skilled	1	2	-	-	-	1	-	1	5
Unskilled	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>9</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>30</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

Table 4.6.5: Terminations for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Head of Department	-	-	-	-	-	1	-	-	1
Senior Management	1	2	-	1	2	1	-	-	7
Professionally qualified	3	7	-	2	-	5	-	-	17
Skilled technical	6	6	-	2	7	4	-	4	29
Semi-skilled	8	13	-	2	13	14	1	5	56
Unskilled	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18</b>	<b>28</b>	<b>-</b>	<b>7</b>	<b>22</b>	<b>25</b>	<b>1</b>	<b>9</b>	<b>110*</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

\* Refer to Table 4.5.3

Table 4.6.6: Disciplinary actions for the period 1 April 2009 to 31 March 2010

Disciplinary Action	Male				Female				Foreigners		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
	19	33	-	3	19	6	-	2	1	-	83

Table 4.6.7: Skills development for the period 1 April 2009 to 31 March 2010

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	7	1	4	-	2	-	2	19
SMS Professionals	-	-	-	-	-	-	-	-	-
Professionals	29	53	2	18	18	41	1	14	179
Technicians and associate professionals	5	19	-	5	1	1	-	1	33
Clerks	33	39	2	7	52	88	2	19	242
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	3	-	-	-	-	-	-	-	3
Elementary occupations	1	10	-	-	1	-	-	2	14
<b>Total</b>	<b>73</b>	<b>128</b>	<b>5</b>	<b>34</b>	<b>72</b>	<b>132</b>	<b>3</b>	<b>38</b>	<b>485</b>
<b>Employees with disabilities</b>	-	<b>3</b>	-	-	-	<b>2</b>	-	-	<b>5</b>

#### 4.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 4.7.1: Signing of Performance Agreements by SMS Members as at 30 September 2009

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level	Number of SMS who received Performance Bonuses
Director-General/ Head of Department	1	-	-	-	-
Salary level 16, but not HOD	-	-	-	-	-
Salary Level 15	2	2	2	100%	2
Salary Level 14	4	4	4	100%	3
Salary Level 13	18	16	13	81.25%	4
<b>Total</b>	<b>25</b>	<b>22</b>	<b>19</b>	<b>86.36%</b>	<b>9</b>

Table 4.7.2: Reasons for not having concluded Performance Agreements with all SMS as at 30 September 2009

Reason for not concluding Performance Agreements
Two Senior Managers appointed with effect from 1 August 2009 and signed performance agreements after 30 September 2009. <ul style="list-style-type: none"> <li>Director Governance and Integration - Concluded</li> <li>Director Housing Project Administration - Concluded</li> </ul>
One Senior Manager appointed on 12 May 2009 resigned with effect from 30 October 2009. <ul style="list-style-type: none"> <li>Chief of Staff Ministry</li> </ul>

## 4.8. FILLING OF SMS POSTS

Table 4.8.1: SMS posts information as at 30 September 2009

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	-	0%	1	100%
Salary level 16, but not HOD	-	-	-	-	-
Salary Level 15	2	2	100%	-	0%
Salary Level 14	4	4	100%	-	0%
Salary Level 13	18	16	88.9%	2	11.1%
<b>Total</b>	<b>25</b>	<b>22</b>	<b>88%</b>	<b>3</b>	<b>12%</b>

SMS Posts vacant as on 30 September 2009

- Director Service Delivery & Community Empowerment (Vacant as from 15 May 2009)
- Director Municipal Support and Capacity Building (Vacant as from 01 September 2009)
- Head of Department Local Government and Housing (Vacant as from 01 July 2009)

Table 4.8.2: SMS posts information as at 31 March 2010

SMS Level	Number of funded SMS posts per level		Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
	Funded	Unfunded				
Director-General/ Head of Department	1	-	-	-	1	100%
Salary level 16, but not HOD	-	-	-	-	-	-
Salary Level 15	2	-	2	100%	-	-
Salary Level 14	4	-	4	100%	-	-
Salary Level 13	18	-	16	88%	2	11%
<b>Total</b>	<b>25</b>	<b>-</b>	<b>22</b>	<b>88%</b>	<b>3</b>	<b>12%</b>

SMS Posts vacant as on 31 March 2010

- Director Service Delivery & Community Empowerment (Vacant as from 15 May 2009)
- Director Municipal Support and Capacity Building (Vacant as from 01 September 2009)
- Head of Department Local Government and Housing (Vacant as from 01 July 2009 - abolished 31 March 2010)

Table 4.8.3: Advertising and Filling of SMS posts at 31 March 2010

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of becoming Vacant	Number of Vacancies per Level Filled in 6 Months after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Band A (Level 13)	4	2	-
Band B (Level 14)	-	-	-
Band C (Level 15) but not Head of Department	-	-	-
Band D (Level 16) Head of Department	-	-	-
<b>Total</b>	<b>4</b>	<b>2</b>	<b>-</b>

Table 4.8.4: Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant

Post	Reasons for non-compliance
Director Service Delivery & Community Empowerment	Due to changing circumstances in the department the process was kept back purposely to get clarity on the future of the particular posts.
Director Municipal Support and Capacity Building	

Table 4.8.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken
None

## 4.9. PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.9.1), salary bands (table 5.9.2) and critical occupations (Table 5.9.3).

TABLE 4.9.1: Performance Rewards by race, gender, and disability, 1 April 2009 to 31 March 2010

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African	70	225	31.1%	422	2
Male	24	102	23.5%	164	2
Female	46	123	37.4%	258	2
Asian	5	10	50%	59	6
Male	2	6	33.3%	44	7
Female	3	4	75%	15	4
Coloured	162	392	41.3%	1,195	3
Male	79	192	41.1%	645	3
Female	83	200	41.5%	550	3
White	41	92	44.6%	453	5
Male	18	46	39.1%	235	5
Female	23	46	50%	218	5
Employees with a disability	10	19	52.6%	51	3
<b>Total</b>	<b>288*</b>	<b>738</b>	<b>39%</b>	<b>2,180**</b>	<b>6</b>

\* The performance rewards allocated to personnel were for the performance period 2008/09, but paid in the financial year 2009/10.

\*\* The special awards in terms of article 37 (2) (C), awarded during the financial year 2009/10 to the amount R 55 000 is not included in the above.

**TABLE 4.9.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2009 to 31 March 2010**

Race and Gender	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee(R'000)	Total cost as a % of the total personnel expenditure of R 160,422
Lower skilled (Levels 1-2)	4	16	25%	10	1	0%
Skilled (Levels 3-5)	48	163	29.4%	190	1	0.1%
Highly skilled production (Levels 6-8)	157	363	43.3%	920	3	0.6%
Highly skilled supervision (Levels 9-12)	70	174	40.2%	798	5	0.5%
<b>Total</b>	<b>279*</b>	<b>716</b>	<b>39%</b>	<b>1,918**</b>	<b>3</b>	<b>1.2%</b>

\* Includes critical occupations but excludes SMS members

\* The performance rewards allocated to personnel were for the performance period 2008/09, but paid in the financial year 2009/10.

\*\* The special awards in terms of article 37 (2) (C), awarded during the financial year 2009/10 to the amount R 55 000 is not included in the above.

**TABLE 4.9.3: Performance Rewards by critical occupations, 1 April 2009 to 31 March 2010**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost as % per employee
Architect	1	4	25%	13	0%
Engineer	4	13	30.8%	58	0%
Industrial Technician	-	3	-	-	-
Project Manager	1	10	10%	13	0%
Works Inspector	5	24	20.8%	51	0%
Urban Designer	2	3	66.7%	22	0%
<b>Total</b>	<b>13*</b>	<b>57</b>	<b>22.8%</b>	<b>157**</b>	<b>0.1%</b>

\* The performance rewards allocated to personnel were for the performance period 2008/09, but paid in the financial year 2009/10.

\*\* The special awards in terms of article 37 (2) (C), awarded during the financial year 2009/10 to the amount R 55 000 is not included in the above.

**TABLE 4.9.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 01 April 2009 to 31 March 2010**

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure	Personnel cost per band (R'000)
	Number of beneficiaries	Number of employees	% of total within band				
Band A (Level 13)	4	16	25%	125	31	1%	12,021
Band B (Level 14)	3	4	75%	82	27	0%	4,237
Band C (Level 15)	2	2	100%	55	27	0%	2,069
Band D (Level 16)	-	-	-	-	-	-	540
<b>Total</b>	<b>9*</b>	<b>22</b>	<b>40.9%</b>	<b>262**</b>	<b>29</b>	<b>1.4%</b>	<b>18,867</b>

\* The performance rewards allocated to personnel were for the performance period 2008/09, but paid in the financial year 2009/10.

\*\* The special awards in terms of article 37 (2) (C), awarded during the financial year 2009/10 to the amount R 55 000 is not included in the above.

#### 4.10. 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.

**TABLE 4.10.1: Foreign Workers, 1 April 2009 to 31 March 2010, by salary band**

Salary Band	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	10	100%	11	100%	1	10%
Senior management (Levels 13-16)	-	-	-	-	-	-
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>1</b>	<b>10%</b>

**TABLE 4.10.2: Foreign Worker, 1 April 2009 to 31 March 2010, by major occupation**

Major Occupation	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Architects, Town- and Regional Planners	3	30%	3	27%	-	-
Engineers and Related Professionals	7	70%	7	64%	-	-
Technicians and Associate Professionals	-	-	1	9%	1	10%
<b>Total</b>	<b>10</b>	<b>100%</b>	<b>11</b>	<b>100%</b>	<b>1</b>	<b>10%</b>

#### 4.11. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 4.11.1) and disability leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

**TABLE 4.11.1: Sick leave, 1 January 2009 to 31 December 2009**

Salary Band	Total days	Number of days with Medical Certification	% 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)	102	97	95.1%	8	1.43%	13	23
Skilled (Levels 3-5)	1142	887	77.7%	142	25.36%	8	380
Highly skilled production (Levels 6-8)	2057	1692	82.3%	247	44.11%	8	1,036
Highly skilled supervision (Levels 9-12)	1017	793	78%	145	25.89%	7	879
Senior management (Levels 13-16)	92	82	89.1%	18	3.21%	5	205
<b>Total</b>	<b>4410</b>	<b>3551</b>	<b>80.5%</b>	<b>560</b>	<b>100%</b>	<b>8</b>	<b>2,523</b>

TABLE 4.11.2: Incapacity leave (temporary and permanent), 1 January 2009 to 31 December 2009 (exceeding 36 days)

Salary Band	Total days taken	Number of days with Medical Certification	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	57	57	100%	1	11.11%	57	13
Skilled (Levels 3-5)	30	30	100%	2	22.22%	15	10
Highly skilled production (Levels 6-8)	14	14	100%	2	22.22%	7	7
Highly skilled supervision (Levels 9-12)	91	91	100%	4	44.44%	23	92
Senior management (Levels 13-16)	-	-	-	-	-	-	-
<b>Total</b>	<b>192</b>	<b>192</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>21</b>	<b>122</b>

Table 4.11.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 4.11.3: Annual Leave, 1 January 2009 to 31 December 2009

Salary Band	Total days taken	Average per employee
Lower skilled (Levels 1-2)	204	16
Skilled (Levels 3-5)	2761	17
Highly skilled production (Levels 6-8)	7386	19
Highly skilled supervision (Levels 9-12)	4095	20
Senior management (Levels 13-16)	554	18
<b>Total</b>	<b>15000</b>	<b>19</b>

TABLE 4.11.4: Capped leave, 1 January 2009 to 31 December 2009

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 Dec 2009	No of employees who utilised capped leave as at 31 Dec 2009	Total capped leave available as at 31 Dec 2009	Number of Employees who has capped leave as at 31 Dec 2009
Lower skilled (Levels 1-2)	-	-	31	-	94	3
Skilled (Levels 3-5)	54	27	16	2	112	7
Highly skilled production (Levels 6-8)	363	16	42	23	3303	79
Highly skilled supervision (Levels 9-12)	93	8	47	12	3250	69
Senior management (Levels 13-16)	-	-	90	-	1081	12
<b>Total</b>	<b>510</b>	<b>14</b>	<b>46</b>	<b>37</b>	<b>7840</b>	<b>170</b>

TABLE 4.11.5: Leave payouts for the period 1 April 2009 to 31 March 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 (R'000)
Leave payout for 2008/09 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave payouts on termination of service for 2009/10	264	6	44
Current leave payout on termination of service for 2009/10	244	44	6*
<b>Total</b>	<b>508</b>	<b>50</b>	<b>10</b>

\*Value rounded off to nearest thousand

#### 4.12. HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 4.12.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The Department has an HIV and AIDS Workplace Programme which includes the following: <ul style="list-style-type: none"> <li>Prevention</li> <li>Treatment</li> <li>Access to Justice / Human Rights</li> <li>Monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Programmes within the Department are the HIV/Aids Programme including VCT and an Employee Assistance Programme.</li> <li>Prevention and treatment links in with the EAP and services supplied or procured via the Department of Health.</li> <li>Access to Justice and confidentially applies to HIV/Aids and Disability disclosures.</li> <li>Monitoring and evaluation is done via the Internal Human Rights and Employee Wellness Committee, quarterly reports and annual reports.</li> <li>Further content under Questions 3, 5, 6, 7 and 8 below, apply.</li> </ul>

TABLE 4.12.2: Details of Health Promotion and HIV and AIDS Programmes

(tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Mr GK Erasmus
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sub-Directorate: Development and Transformation <ul style="list-style-type: none"> <li>1 Deputy Director</li> <li>1 Assistant Director</li> <li>2 Admin Officers</li> <li>1 Admin Clerk</li> </ul> Annual Budget: R260,000 (outsourced EAP) <ul style="list-style-type: none"> <li>The Provincial Department of Health procured a service provider for the VCT and Education and Awareness. Therefore no Departmental budget was required for this purpose.</li> <li>In certain instances, line item budgets are utilized in support of the logistical aspects coupled to the programmes. These are mostly reflected by travel and accommodation costs when VCT Clinics take place locally.</li> </ul>
			Two programmes are in place. The first one (HIV & AIDS Workplace Programme) addresses prevention; treatment, care and support; policy formulation; and monitoring and evaluation. The second one (Employee Assistance Programme) provides support relating to HIV & AIDS in the form of counselling and medical advice. The key components of both of these Programmes are highlighted below: <ul style="list-style-type: none"> <li>Information stands based on prevention and treatment. Six for the year engaging with 380 employees.</li> <li>Information sessions. Eight for the year which included topics such as:</li> </ul>

Question	Yes	No	Details, if yes
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.	✓		<ul style="list-style-type: none"> <li>• Testing x 3 (Winelands and Mitchell's Plain / West Coast and Khayelithsa / CDW's in Beaufort West) Knowing your status</li> <li>• VCT and stigma</li> <li>• Discrimination towards attitude towards HIV</li> <li>• Stigma in general</li> <li>• The Law and HIV</li> </ul> <ul style="list-style-type: none"> <li>• Condom distribution based on prevention and treatment: Provision of condoms throughout the year and available during information sessions / information stands.</li> <li>• Regular monitoring and evaluation of the Programmes in terms of attendance and evaluation forms.</li> <li>• Additional components of the Programmes are listed below: <ul style="list-style-type: none"> <li>• Protocol for occupational exposure to blood-borne pathogens.</li> <li>• Care and support <ul style="list-style-type: none"> <li>◦ Employee Assistance Programme</li> <li>◦ Unlimited 24/7 Telephonic counselling.</li> <li>◦ Face to face counselling (6-8 sessions per issue) for staff and immediate family.</li> <li>◦ Life management counselling (HIV &amp; AIDS, Stress, etc).</li> </ul> </li> <li>• E Care Programme.</li> <li>• Referral to appropriate service providers are facilitated in-house where indicated.</li> <li>• Promotional material provided by service provider at all sessions.</li> </ul> </li> </ul>
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.	✓		<p>The Department has an established Human Rights and Employee Wellness Committee (HREW) that monitors Programmes and interventions related to HIV and AIDS in an integrated manner. This Committee meets on a quarterly basis and the names of Committee members are included below:</p> <ul style="list-style-type: none"> <li>• Ms M Calitz (Deputy Director: Development and Transformation)</li> <li>• Ms I Britz (Deputy Director - Human Resource Management)</li> <li>• Mr J Weideman (CDW and Disability Representative)</li> <li>• Mr. G. Gray (Disability Representative)</li> <li>• MsW Bingham (Assistant Director - Transformation Management)</li> <li>• Mr D Swanson (Assistant Director - Labour Relations)</li> <li>• Mr C Hansby (Assistant Director - Support Services)</li> <li>• Ms M Vlok (SAO - External HREW Committee Representative)</li> <li>• Mr S Dlebusuku (NEHAWU - Union Representative)</li> <li>• Mr A Tassiem (PSA - Union Representative)</li> <li>• Ms P Mothibi (Assistant Director – Secretariat)</li> <li>• Mr M Daniel (SAO – Secretariat)</li> <li>• Ms N Tabohane (SAO – Secretariat)</li> </ul>
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.	✓		<ul style="list-style-type: none"> <li>• Transversal HIV &amp; AIDS policy applies.</li> <li>• The Department reviewed its HIV &amp; AIDS Workplace Programme from February to June 2009. The Programme was presented to the IMLC and included Labour Union Representatives in the review process. Additions to the Programme included a clear procedure for managers to follow in the case of an employee that discloses a positive result.</li> </ul>
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<ul style="list-style-type: none"> <li>• Transversal HIV &amp; AIDS policy applies.</li> <li>• Departmental HIV &amp; AIDS Workplace Programme (prevention; treatment, care and support; policy formulation; and monitoring and evaluation).</li> <li>• HREW Committee which monitors the HIV &amp; AIDS Workplace Programme.</li> <li>• Quarterly education and information stands; ongoing awareness campaigns; information dissemination aimed at sensitising staff towards the elimination of stigma.</li> </ul>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		<p>Yes, the Department does encourage employees to undergo Voluntary Counselling and Testing as part of the HIV &amp; AIDS Workplace Programme which included the following:</p> <ul style="list-style-type: none"> <li>• Eight education and awareness sessions.</li> <li>• Six information stands.</li> <li>• Nine VCT clinics.</li> <li>• 136 employees tested (18, 5%).</li> </ul>

Question	Yes	No	Details, if yes
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<ul style="list-style-type: none"> <li>• Records of the number of employees that attended the various interventions are kept.</li> <li>• The EAP Quarterly Report.</li> <li>• EAP Annual Report.</li> <li>• Feedback following an intervention / session.</li> <li>• Quarterly reporting on deliverables.</li> <li>• HREW Committee</li> <li>• Six monthly reporting to the Department of the Premier HIV/Aids Annual Report to DPSA.</li> </ul>

#### 4.13. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within the department.

TABLE 4.13.1: Collective agreements, 1 April 2009 to 31 March 2010

Subject Matter	Date
Telephone and Fax Policy	15 July 2009
Communication Protocol	15 July 2009
Standing Rules of IMLC	8 December 2009
Working Hours Addendum	8 December 2009
Personnel Plan	8 December 2009
Departmental HIV & Aids Workplace Programme	8 December 2009
Human Resource Development Strategy	8 December 2009
Non-Monetary Awards	8 December 2009
Accommodation Principles	8 December 2009
Record Management Policy	18 March 2010
Cellular Telephones Policy	18 March 2010
Data Cards Policy	18 March 2010
Departmental Domestic Travel & Subsistence for trips longer than 24 Hours Prescripts	18 March 2010
Security Policy	18 March 2010

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

**TABLE 4.13.2: Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010**

Outcomes of disciplinary hearings (sanctions)	Number	% of total
Correctional counselling	24	22.8%
Verbal warning	21	19.95%
Written warning	25	23.75%
Final written warning	18	17.10%
Suspension without pay	1	0.95%
Fine	-	0%
Demotion	-	0%
Dismissal/ desertion	3	2.85%
Not guilty	2	1.9%
Case withdrawn	1	0.95%
<b>Total</b>	<b>95*</b>	<b>100%</b>

\* The above total of 95 sanctions is from a combination of formal and informal disciplinary cases involving 83 staff members (Refer to Table 4.6.6)

**TABLE 4.13.3: Types of misconduct addressed at disciplinary hearings (formal)**

Type of misconduct	Number	% of total
Absent from work without permission	2	32%
Unauthorized absence and Poor timekeeping	1	17%
Submission of false medical certificate	1	17%
Receipt of Social grant	1	17%
Dismissal	1	17%
<b>Total</b>	<b>6</b>	<b>100%</b>

**TABLE 4.13.4: Grievances lodged for the period 1 April 2009 to 31 March 2010**

Grievances lodged	Number	% of total
Number of grievances resolved	6	30%
Number of grievances not resolved	14	70%
<b>Total number of grievances lodged</b>	<b>20</b>	<b>100%</b>

**TABLE 4.13.5: Disputes lodged with Councils for the period 1 April 2009 to 31 March 2010**

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	1	50%
Number of disputes dismissed	1	50%
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100%</b>

**TABLE 4.13.6: Strike actions for the period 1 April 2009 to 31 March 2010**

Strike actions	Number
Total number of person working days lost	-
Total cost (R'000) of working days lost	-
Amount (R'000) recovered as a result of no work no pay	-

**TABLE 4.13.7: Precautionary suspensions for the period 1 April 2009 to 31 March 2010**

Precautionary suspensions	Number
Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	39 days
Cost (R'000) of suspensions	63

#### 4.14. SKILLS DEVELOPMENT

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

**4.14.1: Training needs identified 1 April 2009 to 31 March 2010**

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training needs identified at start of reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	7	-	13	-	<b>13</b>
	Male	15	-	16	-	<b>16</b>
Professionals	Female	173	-	528	-	<b>528</b>
	Male	171	-	473	-	<b>473</b>
Technicians and associate professionals	Female	4	-	6	-	<b>6</b>
	Male	43	-	103	-	<b>103</b>
Clerks	Female	180	-	693	-	<b>693</b>
	Male	95	-	344	-	<b>344</b>
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	3	-	7	-	<b>7</b>
Elementary occupations	Female	2	-	8	-	<b>8</b>
	Male	8	-	30	-	<b>30</b>
Sub Total	Female	366	-	1248	-	<b>1248</b>
	Male	335	-	973	-	<b>973</b>
<b>Total</b>		<b>701</b>	-	<b>2221</b>	-	<b>2221</b>
Employees with disabilities	Female	7	-	18	-	<b>18</b>
	Male	8	-	1	-	<b>1</b>

TABLE 4.14.2: Training provided 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 31 March 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	5	-	5
	Male	16	-	12	-	12
Professionals	Female	175	-	178	-	178
	Male	175	-	200	-	200
Technicians and associate professionals	Female	5	-	6	-	6
	Male	44	-	68	-	68
Clerks	Female	184	-	379	-	379
	Male	97	-	169	-	169
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	3	-	5	-	5
Elementary occupations	Female	4	-	5	-	5
	Male	11	-	19	-	19
Sub Total	Female	373	-	573	-	573
	Male	346	-	473	-	473
<b>Total</b>		<b>719</b>	-	<b>1046*</b>	-	<b>1046</b>
Employees with disabilities	Female	7	-	6	-	6
	Male	12	-	3	-	3

\* People attended course presentations

#### 4.15. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 4.15.1: Injury on duty, 1 April 2009 to 31 March 2010

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	87.5%
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal (Motor accident)	1	12.5%
<b>Total</b>	<b>8</b>	<b>100%</b>

#### 4.16 UTILISATION OF CONSULTANTS

TABLE 4.16.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration	Contract value in Rand ('000)
Incident disaster man system	2	6 months	182
Vulnerability index	4	24 months	199
Project assessment-Sandkraal	1	5 months	99
Land Surveying-Gatesville	3	6 months	52
MIG – proposed expansion	3	6 weeks	184
Draft AFS	1	3 months	122
Implement municipal performance score card/technical assistance Monitoring & Evaluation	1	15 months	260
West Coast biosphere reserve-review land use	1	6 weeks	81
Training water wastewater treat	1	18 months	760
Upgrade property register	1	1 month	168
Update water sanitation plans	3	3 years	700
Drafting of backyard dwellers polices	6	4 months	395
WC gap housing market analysis	2	4 months	171
Planning of 4th floor revamp	3	6 months	39
Training workshop-municipalities	1	2years, 10 months	492
Performance man system- 10municipalities	2	4 months	1,141
Darling youth and housing project	3	10 months	250
CDW review in WC	2	3 months	148
Update national debtor system	1	7 months	300
Road show fire flood campaign	1	6 days	122
Normalisation of occupancy- Delft	1	6 months	174
Local Government snapshot	2	6 months	150
Feasibility study-Redhill	1	3 months	102
Municipal workshops-housing needs	1	5 months	200
Guideline-market related rental	3	10 weeks	129
Illegal occupation - Delft	5	5 weeks	136
Streamline & integrate legislative reporting	2	3 months	171
Compile strat plan	2	3 months	182
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Duration</b>	<b>Total contract value in Rand</b>
28	59	18 yrs, 2 months	7,109

**TABLE 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Compile HR & Finance policy framework guide	100	-	1
Vulnerability index	31	45	2
Land Surveying – Gatesville	100	-	3
Implement municipal performance score card/technical assistance Monitoring & Evaluation	100	-	-
Upgrade property register	75	25	1
Drafting of backyard dwellers policies	82	100	5
CDW review in WC	100	-	2
WC gap housing market analysis	-	20	-
Road show fire flood campaign	100	-	1
Normalisation of occupancy- Delft	100	-	1
Feasibility study - Red hill	100	-	1
Municipal workshops-housing needs	100	-	3
Guideline-market related rental	100	-	5
Illegal occupation- Delft	100	-	5
Streamline & integrate legislative reporting	100	-	2

**TABLE 4.16.3: Report on consultant appointments using Donor funds**

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
-	-	-	-
-	-	-	-
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
-	-	-	-
-	-	-	-

**TABLE 4.16.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
-	-	-	-
-	-	-	-





