



**Western Cape
Government**

Local Government



Annual Report 2011/2012
Department of Local Government

**Department of
Local Government**

Vote 14

Annual Report
2011/12

**Provincial Government
Western Cape**



Mr Anton Bredell

Minister of Local Government, Environmental Affairs and Development Planning

I have the honour of submitting the Annual Report of the Department of Local Government for the period 1 April 2011 to 31 March 2012.

A handwritten signature in blue ink, appearing to be 'H Fast', written over a faint circular stamp or watermark.

H Fast
31 August 2012



List of Abbreviations in Annual Report

AC:	Accounting Officer	MDB:	Municipal Demarcation Board
ACC:	Anti-Corruption (Ethics) Committees	MEC:	Member of the Executive Council
ACSA:	Airports Company South Africa	MFMA:	Municipal Finance Management Act, 2003 (Act 56 of 2003)
AFS:	Annual Financial Statements	MIG:	Municipal Infrastructure Grant
APP:	Annual Performance Plan	MINMAY:	Forum of Provincial Minister of Local Government & Executive Mayors
BAS:	Basic Accounting System	MINMAYTECH:	Forum of the Head of Department: Local Government & Municipal Managers
CAPS:	Category of Authorised Persons	MIS MIG:	Management Information System, Municipal Infrastructure Grant
CBOs:	Community Based Organisation	MM:	Municipal Manager
CDW:	Community Development Worker	MoU:	Memorandum of Understanding
CF:	Communication Forums	MPM:	Municipal Performance Monitoring
CSC:	Corporate Service Centre	MPRA:	Municipal Property Rates Act, 2004 (Act 6 of 2004)
DCAS:	Department of Cultural Affairs & Sport	MSA:	Municipal System Act No. 32 of 2000
DCF:	District Co-ordinating Forum	NCOP:	National Council of Provinces
DCOG:	Department of Co-operative Governance	DCOG:	National Department of Co-operative Governance
DBSA:	Development Bank of South Africa	NDA:	National Development Agency
DHS:	Department of Human Settlements	NDP:	Neighbourhood Development Planning
DIPMS:	Development & Implementation of Performance Management System	NGOs:	Non-Governmental Organisation
DLG:	Department of Local Government	NSDP:	National Spatial Development Perspective, 2002
DM:	District Municipality	PCAA:	Prevention of Corrupt Activities Act
DPSA:	Department of Public Service and Administration	PCF:	Premier's Co-ordinating Forum
DWA:	Department of Water Affairs	PFMA:	Public finance Management Act
EAP:	Employee assistance Programme	PGWC:	Provincial Government western Cape
EHW:	Employee Health and Wellness	PSO:	Provincial Strategic Objective
ELDP:	Executive Leadership Development Programme	PSDF:	Provincial Spatial Development Framework, 2009
FIV:	Forensic Investigation Unit	PT:	Provincial Treasury
FMPP:	Framework for Managing Programme Performance Information, 2007	PTI:	Provincial Training Institute
FPP:	Fraud Prevention Plans	SALGA:	South African Local Government Association
GG:	Government Garage	SANRAL:	South African National Roads Ltd
GIZ:	Donor funder	SDI:	Service Delivery Integration
GWM&E:	Government Wide Monitoring & Evaluation, 2007	SDP:	Spacial Development Planning
ICAS:	Independent Counselling and Advisory Services	SIU:	Special Investigating Unit
ICT:	Information Communication Technology	TSC:	Thusong Services Centres
IDPs:	Integrated Development Plans	UWC:	University of the Western Cape
IEC:	Independent Electoral Commission	WC:	Western Cape
IGR:	Inter-governmental Relations	WCG:	Western Cape Government
LED:	Local Economic Development		
LUMS:	Land Use Management System		
M&E:	Monitoring and Evaluation		



Contents

PART 1 - GENERAL INFORMATION	1
1.1 Vision	2
1.2 Mission	2
1.3 Values	2
1.4 Organisational Structure	3
1.5 Legislative and other Mandates	4
1.5.1 Constitutional Mandates	4
1.5.2 Legislative Mandates	4
1.5.3 Other Local Government Legislation	5
1.5.4 Transversal Legislation	5
1.5.5 Local Government Policy Mandates	5
1.5.6 Other policy mandates	5
1.6 Minister's Statement	6
1.7 Accounting Officer's Overview	6
PART 2 - DEPARTMENTAL PROGRAMME PERFORMANCE	9
2.1 Overall Performance	10
2.2 Programme Performance	16
Programme 1: Administration	16
Programme 2: Local Governance	17
Programme 3: Development and Planning	36
PART 3 - ANNUAL FINANCIAL STATEMENTS	41
Report of the Audit Committee	42
Report of the Accounting Officer	45
Report of the Auditor-General	53
Accounting Policies	57
Appropriation Statement	63
Notes to the Appropriation Statement	69
Statement of Financial Performance	71
Statement of Financial Position	72
Statement of Changes in Net Assets	73
Cash Flow Statement	74
Notes to the Annual Financial Statements	75
Disclosure notes to the Annual Financial Statements	86
Annexures (Unaudited supplementary schedules)	95

PART 4 - HUMAN RESOURCES MANAGEMENT	101
4.1 Service Delivery	102
4.2. Expenditure	105
4.3. Employment and Vacancies	108
4.4. Job Evaluation	110
4.5. Employment Changes	112
4.6. Employment Equity	117
4.7. Signing of Performance Agreements by SMS Members	123
4.8. Filling of SMS Posts	124
4.9. Performance Rewards	126
4.10 Foreign Workers	129
4.11. Leave Utilisation for the period 1 January 2011 to 31 December 2011	130
4.12. HIV and AIDS & Health Promotion Programmes	133
4.13. Labour Relations	137
4.14. Skills Development	139
4.15. Injury on Duty	141
4.16. Utilisation of Consultants	142
PART 5 - OTHER INFORMATION	145
List of contact details	146





Part 1: General Information

1.1 Vision

Developmental and well-governed municipalities with integrated, sustainable and empowered communities.

1.2 Mission

The mission of the Department of Local Government is:

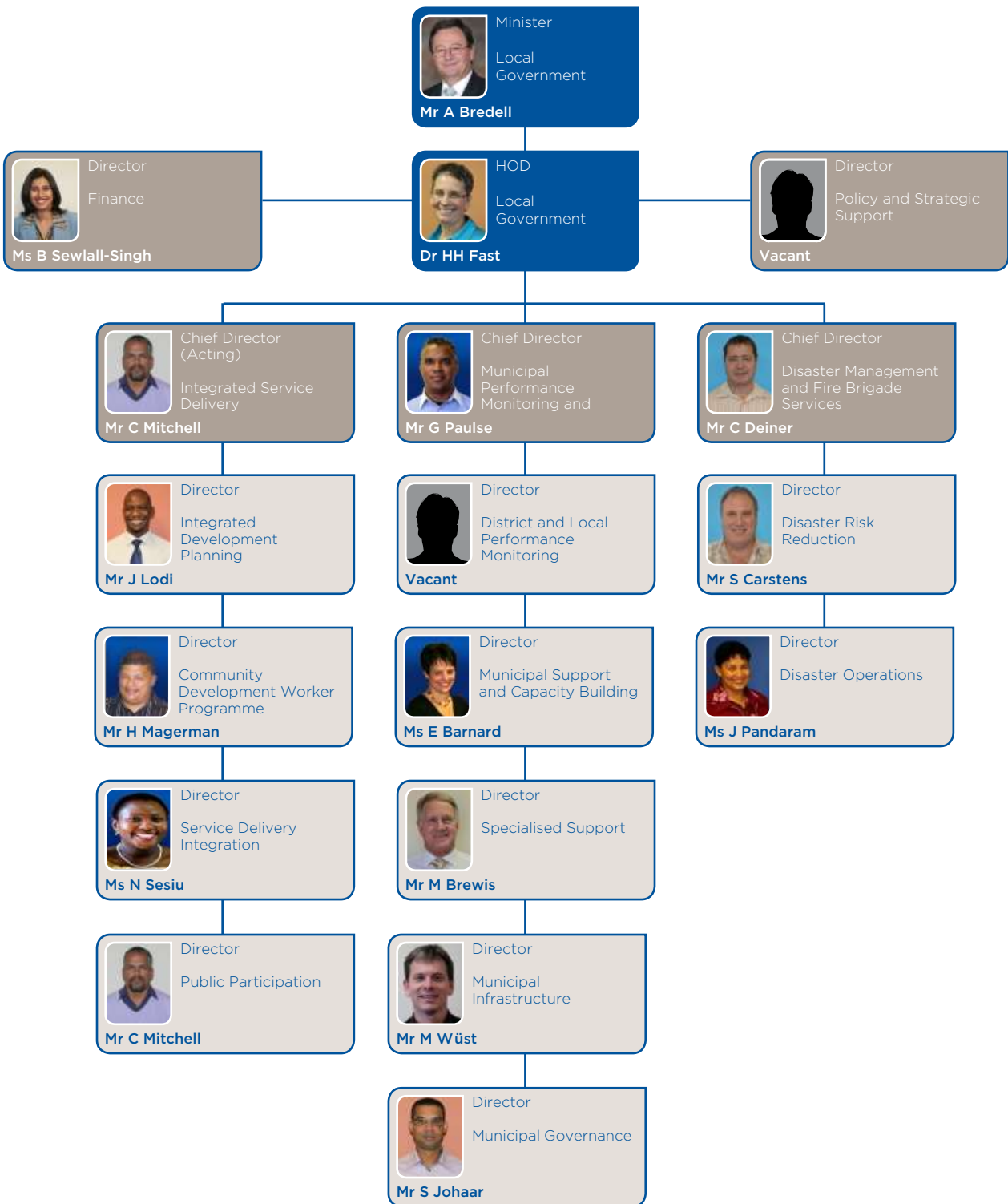
- To capacitate municipalities to deliver quality services to communities;
- To promote participative, integrated and sustainable communities;
- To ensure municipal plans reflect national, provincial and local priorities and resources through sound intergovernmental relations;
- To be the first port of call to municipalities for advice and support; and
- To facilitate delivery through sound administration and the engagement of all spheres of government and social partners.

1.3 Values

The Department's values are the same as the five provincial values, namely:

- Accountability;
- Competence;
- Integrity;
- Responsiveness; and
- Caring.

1.4 Organisational Structure



Part 1: General Information

1.5. Legislative and other mandates

1.5.1 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, as the following:

- 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.

1.5.2 Legislative Mandates

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

a) 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.

b) 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 to different categories of municipalities. They define the powers and duties of various role players, 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 co-ordinate municipalities under its jurisdiction.

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

This Act aims to secure sound and sustainable management of the financial affairs of municipalities as well as to establish norms and standards against which the financial affairs can be monitored and measured.

d) 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, reduce 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, to make further provision for the serving of documents by municipalities, and amend or repeal certain legislation.

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

This Act provides for integrated and co-ordinated disaster management focused on rapid and effective response to disasters and the reduction of disaster risk. It also provides for the establishment of provincial and municipal disaster management centers. The Act provides a framework under which the Provincial Department operates and liaises with municipalities on disaster related matters.

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

This Act aims to establish a framework for National Government as well as the provincial governments and municipalities to promote and facilitate inter-governmental relationships and to provide mechanisms and procedures to facilitate the settlement of inter-governmental disputes.

1.5.3 Other Local Government Legislation

- Fire Brigade Services Act, 1987 (Act 99 of 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);
 - Remuneration of Public Office Bearers Act, 1978 (Act 20 of 1978);
 - Western Cape Privileges and Immunities of Councillors Act (Act 2 of 2011);
 - Municipal Systems Amendment Act, 2011 (Act 7 of 2011); and
 - Consumer Protection Act, 2008 (Act 68 of 2008).
- 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);
 - Provincial Archives and Records Service of the Western Cape Act, 2005 (Act 3 of 2005); and
 - Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000).

1.5.5 Local Government Policy Mandates

- White Paper on Local Government, 1998;
- National Local Government Turn Around Strategy 2009 and 2012;
- Local Government Anti-Corruption Strategy, 2006;
- Free Basic Services, 2000/01;
- Code of Conduct for Councilors;
- National Public Participation Framework;
- National Community Development Worker (CDW) Master Plan; and
- Provincial CDW Master Plan.

1.5.4 Transversal Legislation

A series of transversal administrative requirements impacts on the work of the Department across all its various functions, namely:

- Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000;
- Public Finance Management Act, 1999 (Act 1 of 1999) and National Treasury Regulations;

1.5.6 Other policy mandates

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

Part 1: General Information

- National Spatial Development Perspective, 2002;
- Provincial Spatial Development Framework, 2009;
- Provincial Strategic Objective 1: Creating opportunities for growth and jobs;
- Provincial Strategic Objective 6: Developing integrated and sustainable human settlements;
- Provincial Strategic Objective 7: Mainstreaming sustainability and optimising resource-use efficiency; and
- Provincial Strategic Objective 10: Integrated service delivery for maximum impact.

1.6 Minister's Statement

My Department continues to serve communities by mobilising government services to be rendered in an integrated manner to communities through the Thusong and Community Development programmes. The Integrated Development Planning (IDP) and Public Participation programmes ensure that municipalities plan together with their communities and with guide Provincial and National government. In serving municipalities, the Department is supporting them in areas ranging from legislative support to capacity building; with the aim of ensuring that municipalities deliver on their legislative mandates.

This Annual Report will highlight what the Department was able to achieve and the challenges it faced in the 2011/12 financial year. In my 2011/12 Budget speech I promised a range of deliverables and I am proud to report that my Department was able to:

- Provide training to new Councillors;
- Assist municipalities to establish ward committees and train ward committee members on their roles and responsibilities;
- Support 20 municipal officials through the second IDP learnership;
- Assess the property rates policies in 10 municipalities;

- Place 11 students on the Municipal Bursary Programme;
- Assist municipalities to develop and rationalise their by-laws;
- Help 15 municipalities to develop disaster management contingency plans; and
- Refer 22 967 people to government services and programmes through our Community Development Work Programme.

The performance section of this annual report will provide detailed information on the above achievements.

I believe that the work done has laid a firm foundation towards the realisation of our long term goal of capacitated municipalities that deliver quality services to communities.

1.7 Accounting Officer's Overview

This is the first year that the Department of Local Government has implemented Provincial Strategic Objective (PSO) 10, "Integrated Service Delivery for Maximum Impact". This is in addition to implementing National Outcome 9, "Responsive, and accountable, effective, and efficient local government". The targets of both of these programmes have been mainstreamed into the Department's Annual Performance Plan and translated into projects that are monitored regularly.

During 2011/12 the Department had a positive impact on communities through strengthening its planning and coordination role. Some of these achievements include:

Taking services closer to the people: the Department successfully rolled out 24 Thusong Mobiles reaching over 37 000 people mostly from rural communities. These community members were assisted to access government services such as social grants and Identity Documents (ID). Community Development Workers played a big role

in mobilising people to attend the Thusong Mobiles. In addition the CDW programme carried out 22 967 individual case referrals.

Furthermore, three new Thusong Service Centres were established in Robertson, Prince Albert and Paarl East. To strengthen the sustainability of Thusong Service Centres the Department provided junior management training to centre managers and assisted municipalities with the conclusion of lease agreements to ensure that the key anchor departments render services at the Centres.

Improving planning to ensure budget alignment: the Department implemented two "IDP indabas" in municipalities, which are guided by the Intergovernmental Planning and Budgeting Framework. All provincial sector departments, three state-owned enterprises, and some national departments participated in IDP Indaba 2. To ensure that municipal IDPs are informed by community inputs, the Department supported 25 municipalities with the establishment of ward committees and provided ward committee training.

Supporting Municipalities to deliver on their Mandate: the Department introduced a pool of experts and deployed them in municipalities to provide support on the following specific projects:

- Langeberg and Stellenbosch municipalities were assisted with the Development and implementation of a Performance Management System;
- Saldanha Bay Municipality was assisted in rolling-out and implementation of a change management process; and
- Prince Albert, Drakenstein, Cape Winelands and Bitou municipalities were supported on Organisational Design.

In addition, the Department monitored and supported municipalities to spend 99.85% of the Municipal Infrastructure Grant funding for the period ending June 2011, with R311 604 240 spent on 170

municipal infrastructure projects. The Department, in partnership with the Department of Water Affairs, supports municipalities with planning and implementation of 22 bulk water and sanitation projects in the Western Cape.

Proactively minimising the impact of possible disasters: the Department has made three key achievements in this area namely:

- Increased its aerial fire-fighting capacity by appointing six provincial Working on Fire ground teams and mobilising 24 aircraft;
- Supported the Department of Health, Airports Company SA (ACSA) and 16 municipalities with the development of disaster management plans; and
- In conjunction with the City of Cape Town and National Disaster Management Centre, arranged three days of public awareness which also included a workshop and three legacy programmes.

The Department will continue to enhance its programmes to address the needs of its clients, be they municipalities or communities, and to do so in a way that achieves maximum impact.



Part 1: General Information





Part 2: Departmental Programme Performance

2.1 Overall Performance

2.1.1 Voted Funds

Table 1: Voted funds of R129 997 000

Appropriation	Main Appropriation	Adjusted Appropriation	Actual Amount spent	(Over)/ Under Expenditure
	R135 974 000	R129 997 000	R129 825 000	R172 000
Responsible MEC	MEC of Local Government, Environmental Affairs and Development Planning.			
Administering Department	Department of Local Government			
Accounting Officer	Head of Department of Local Government			

10

2.1.2 Aim of the Vote

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

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

2.1.3 Strategic Outcome Oriented Goals as listed in the Strategic Plan

The Department has nine strategic goals, namely:

- Compliant and accountable municipalities underpinned by good governance;
- Effective Inter-governmental Relations;
- Effective Integrated Development Planning by all spheres of government that accelerates service delivery within municipal areas;
- Unlocked opportunities for communities through improved access and active community participation;
- Capacitated municipalities who deliver effective services;
- Effective monitoring of local government;
- Well maintained municipal infrastructure;
- Effective disaster management practices; and

- A fully functional Department that is accountable for delivering quality services to local government.

2.1.4 Overview of Service Delivery Environment for 2011/12

The Department contributes to National Outcome 9: A responsive, accountable, effective and efficient local government system, and Provincial Strategic Objective 10: Integrated Service Delivery for maximum impact. This was done through the programmes described below.

Municipal Legislation

The Pre-and Post-Election support provided to municipalities during the 2011 Local Government Elections comprised an Election Helpdesk, Legal Advice via telephonic enquiries, e-mails and various circulars distributed by the Department. A total of 57 enquiries and responses were addressed via the telephone helpdesk and e-mails for the period February-September 2011. The assistance included support to other role players such as the Independent Electoral Commission (IEC), South African Local Government Association (SALGA), Western Cape Provincial Treasury (PT), the Department of Cultural Affairs and Sport, Municipal Demarcation Board (MDB), and the Department of Co-operative Governance (DCOG).

To assist municipalities with good governance and compliance, the Department developed two standard by-laws on Liquor Trading Hours and Credit Control and Debt Collection.

To support anti-corruption initiatives, the Department appointed a service provider to conduct a survey on the perceptions of corruption among municipal councillors and staff. The findings of the survey indicated that there is a lack of awareness amongst both staff and councillors in respect of the Prevention of Corrupt Activities Act and Protected Disclosure "Whistleblowing" Act. These findings were submitted to all municipalities for comment in order to assist them with the relevant support. Through the assistance of the National Department of Co-operative Governance and GIZ (a donor partner), Mossel Bay municipality was assisted with the development of Fraud Prevention Plan (FPP) and the implementation of Anti-Corruption or "Ethics" Committees.

Public Participation

To strengthen public participation, the Department supported 25 municipalities with the establishment of Ward Committees. Ward Committee induction training was provided to all local municipalities in the Central Karoo and Overberg districts except for the Swellendam municipality, which will complete its ward committee establishment in the next financial year. This training will be provided to the three remaining districts in the next financial year.

The Department also supported municipalities by participating in their internal ward committee orientations and presenting the Draft Provincial Framework: Proposed Guidelines for Municipalities. The support specifically focused on creating awareness around the ward committee accountability and communication model as well as the provincial funding model for out-of-pocket expenses for ward committees.

With the goal of strengthening public participation through communication, West Coast, Oudtshoorn,

Stellenbosch, Witzenberg, Laingsburg, and Cape Winelands Municipalities were provided with support to develop and/or revise their Communication Strategies. The strategic support focused on improving institutional arrangements, ensuring compliance to national and provincial guidelines, and aligning the communications and IDP cycles. A focus was also placed on the revision of Language Policies.

All municipalities were further supported through the Provincial and District Public Participation and Communication Forums with communication guidelines, the sharing of best practices, and the facilitation of access to relevant stakeholders of specialised support.

Service Delivery Integration

The Thusong Programme in the Western Cape has been designed to ensure that the residents of the Western Cape can seamlessly access a wide range of integrated public services irrespective of where they live. Therefore the Thusong Programme has been expanded in the Western Cape Province to include Thusong Zones, Thusong Service Centres, Thusong Service Satellite Centres, Thusong Mobiles and the Thusong Extension programme. Access service delivery norms and standards were developed in collaboration with the anchor departments to guide implementation of the Thusong Programme.

During 2011/2012 the Department rolled out the Thusong Implementation Strategy, strengthening the sustainability of Thusong Service Centres by assisting municipalities with the conclusion of lease agreements and ensuring that the key anchor departments render services at the Thusong Service Centres. Thusong Service Centre Managers attended an accredited Junior Management Development Programme at the Provincial Training Institute. The Cape Access Programme has aligned their roll-out plan to the Thusong Service Centres. Three new Thusong Service Centres have been established in Robertson, Prince Albert and Paarl



Part 2: Departmental Programme Performance

East. The Department also successfully implemented twenty four (24) Thusong Mobiles, reaching over 37 000 residents.

Community Development Programme

The Community Development Programme supported the community through referring 22 967 cases to government departments. The programme played a key role in supporting the Thusong Mobiles, as the Community Development Workers (CDWs) are responsible for communicating the event to communities and providing logistical support.

The CDWs conducted 336 information sessions to inform the public about a range of government services and how to access opportunities. CDWs provide a support service to communities to start socio economic projects to alleviate poverty. Support includes providing advice and drafting business proposals.

The CDW Programme signed service level agreements with government departments to define the level and standard of support each department renders to the other. The partnership agreement with the Department of Human Settlements provided for the Housing Consumer Education programme, where CDWS have been trained as accredited facilitators to educate the community on the value of houses as assets.

The Department concluded 12 agreements with various departments, Non-Government Organisation (NGOs) and Community Based Organisations (CBOs) to facilitate support to the community. Some of the CBO partners are the West Coast Community Foundation and the Atlantis Youth Development Forum. Through the CDW Programme, community projects are supported in partnership with such stakeholders.

Integrated Development Planning

After completing the assessment of Integrated Development Plans (IDPs), the Department established that 27 of the 30 municipal IDPs were of an acceptable quality. The Department mobilised the participation of national and provincial sector departments in the IDP assessment process. The Department published, for the first time, the Annual IDP Assessment report.

The Department developed the Inter-governmental Planning and Budgeting Framework that guided the introduction and implementation of two IDP Indabas with municipalities instead of one Indaba in the previous year. An Indaba is an event where government departments and agencies communicate their projects and funding to municipalities, and this information is then incorporated into IDPs. All provincial sector departments, three state-owned enterprises, namely ESKOM, SANRAL and Transnet, and some national departments, participated in the IDP Indaba 2. The Department also introduced spatial mapping as a sub-project to complement the IDP Indaba. As a result of this all municipalities were provided with maps indicating provincial sector department projects and financial allocations in their areas.

With the introduction of Neighborhood Development Planning (NDP), the Department secured capital funding of R10 million from National Treasury for the implementation of catalytic projects to ensure that the NDPs are implemented in selected municipalities. The Department also introduced the IDP Circular, which was used as the IDP Calendar for the Province and municipalities. It was the first time that the Department collected IDP Process Plans from municipalities with the aim of strengthening support, introducing linkages between provincial and municipal planning processes, and co-ordinating the participation of provincial departments in district IDP processes.

Capacity Development

During the 2011/12 financial year, the Department changed its strategy with regard to rendering municipal support. A more “impact-driven” approach resulted in the introduction of a number of cross-cutting projects to complement the implementation of municipal-specific support plans. The Department also introduced a pool of expertise through which dedicated resources could be deployed to municipalities in support of specific projects. The following municipalities were supported through this initiative:

- Langeberg and Stellenbosch municipalities: Development and implementation of a Performance Management System;
- Saldanha Bay Municipality: roll-out and implementation of a change management process; and
- Prince Albert, Drakenstein, Cape Winelands and Bitou: Organisational Design Project.

In support of the updating of municipal valuation rolls, the Department developed a step-by-step guide on the implementation of the Municipal Property Rates Act, which was further complemented by the establishment of a property valuations focus group. The focus group comprises all property rates practitioners in municipalities and has proven to be a valuable space for sharing knowledge and expertise.

Municipal Performance Monitoring

To improve co-ordination of municipal information, the Department developed a Municipal Performance Monitoring and Evaluation Framework. In addition to the quarterly report submitted to national government, the Department produced two municipal performance reports on governance in line with the Municipal Performance Monitoring and Evaluation Framework.

The Department developed and submitted to the Legislature, National Council of Provinces and National Minister for Co-operative Governance a

Consolidated Annual Municipal Performance report as prescribed by Section 47 of the Municipal Systems Act.

Municipal Infrastructure

The Department monitored and supported municipalities to spend 99.85% of the Municipal Infrastructure Grant funding for the period ending June 2011. Altogether R311 604 240 was spent on 170 municipal infrastructure projects. The Department supported municipalities and the Department of Water Affairs with the planning and implementation of 22 bulk water and sanitation projects in the Western Cape. The Department also developed a guideline for financing Municipal Infrastructure, based on a detailed study conducted in Drakenstein Municipality.

Disaster Management and Fire Brigade Services

The Department increased its aerial fire-fighting capacity by appointing six provincial Working on Fire Ground Teams and mobilising 24 aircraft. As a result of the improved capacity and a rapid-response strategy, the impact of fires during the fire season was drastically reduced.

To ensure effective co-ordination and responsive disaster management, the Department procured an interactive audiovisual system, facilitated effective disaster management inter-governmental meetings, and supported the Department of Health, Airports Company SA and 16 municipalities with the development of disaster management plans. The Provincial Disaster Management Centre also conducted a post-analysis study on the drought which occurred in Eden and Central Karoo from 2009 to 2011.

The Department assisted District Disaster Management Centres by reviewing their risk assessments to highlight the gaps that need to be addressed. As part of this process, the Department also developed a best practice risk assessment methodology that has been accepted by all Heads



Part 2: Departmental Programme Performance

of Centres (City of Cape Town and district municipalities), which will be used to update the district risk assessments.

To strengthen the link between developments and prevailing disaster risk, the Department included the relevant disaster management indicators into its provincial IDP analysis tool framework, and secured space in the layout of the Third Generation IDPs for a dedicated chapter on disaster management (in addition to the disaster management plan attached as an annexure in the IDP).

In terms of public awareness, a three-day event was arranged by the Department in conjunction with the City of Cape Town and National Disaster Management Centre, which took place in October 2011. In addition to showcasing community and disaster resilience, there was an educational workshop with primary school pupils on risk reduction and three legacy programmes were funded by the Department and implemented by the City of Cape Town, namely:

- Climate Change & Smart Living Plays in 7 primary schools outside the metro;
- YES Drama Festival (high schools within metro); and
- Basic Education Toolkit and Teacher Training (3 kits purchased).

2.1.5 Overview of the Organisational Environment for 2011/12

Planning and monitoring system

Annual Performance Plan (APP) deliverables were captured using the dashboard system and were monitored on a quarterly basis. The Department also had bi-weekly management meetings and meetings with the Executive Authority. Strategic planning sessions were held to plan for the future and ascertain progress with implementation of the current plan.

Correspondence and file tracking System

As indicated in the E-file blueprint that was approved by the Provincial Cabinet, a uniform file plan was to be implemented for the Provincial Government Western Cape. This file plan was drafted and approved on 14 June 2011 for use by the Provincial Government Western Cape. The Department Local of Government successfully implemented the Provincial File Plan.

A file tracking system is used as a tool by Records Management to manage, track and locate all official files created in the Department according to the approved file plan of the Department. This also allows the user to link the current file plan with the previous file plan that was in use in the Department. The jTrack system in use in the Department electronically tracks the movement of bar-coded files as the files move from one location to the next location in the Department. Each movement is recorded as part of the audit trail.

The system is password protected and also allows system administrators to generate management reports pertaining to files received, files sent, files at location, files in transit, files created and files pending on request of client.

Financial systems

Basic Accounting System (BAS) is an online accounting system that is used to effect all payments and allocate all expenditure and revenue to the respective cost centres. It is also used for financial reporting purposes. This transversal system is owned by National Treasury.

2.1.6 Key Policy Developments and Legislative Changes

The Department continues to implementing its five year Strategic Plan which is guided by the National Outcome 9 and Provincial Strategic Objective 10. National Outcome 9: "A responsive, accountable, effective local government system" consists of seven outputs, namely:

- Output 1: Implement a differentiated approach to municipal financing, planning and support;
- Output 2: Improve access to basic services;
- Output 3: Implement the Community work Programme;
- Output 4: Actions supportive of human settlements outcomes;
- Output 5: Deepen democracy through a refined Ward Committee model;
- Output 6: Improve municipal financial and administrative capability; and
- Output 7: Single window of co-ordination.

Provincial Strategic Objective 10: Integrating Service Delivery for Maximum Impact focuses on the following four outcomes:

- Outcome 1: Integrated planning and budgeting;
- Outcome 2: Co-ordinated provincial support to municipalities;
- Outcome 3: Integrated service delivery; and
- Outcome 4: Co-ordinated inter-governmental reporting and engagement

2.1.7 Departmental Revenue, Expenditure, and Other Specific Topics

Collection of departmental revenue

All amounts in R'000

	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual	% deviation from target
Non-tax revenue						
Commission on Insurance			49	50	54	8
Interest, dividends and rent on land			12	0	3	100
Transfer received			50	-	-	-
Transactions in Financial assets and liabilities			582	0	780	100
TOTAL DEPARTMENTAL RECEIPTS			693	50	837	1 574



Part 2: Departmental Programme Performance

2.1.8 Departmental expenditure

All amounts in R'000

Programme	Vote for 2011/12	Roll-Overs & Adjustments	Virements	Total Voted	Actual Expenditure	Variance
Administration	16 222	-	258	16 480	16 480	0
Local Governance	90 454	-	(679)	89 775	89 603	0.19
Development	23 321	-	421	23 742	23 742	0
Total	129 997	-	-	129 997	129 825	0.13

16

2.1.9 Departmental expenditure

All amounts in R'000

Institution	Amount
Provinces and municipalities	R 5 886
Departmental agencies and accounts	R1 365
Non-profit institutions	R1 665
Households	R 68
Total	R8 984

See pages 96-97

2.2 Programme performance

Programme	Sub-programmes
1. Administration	1.1 Office of the MEC
	1.2 Corporate Services
2. Local Governance	2.1 Municipal Administration
	2.2 Public Participation
	2.3 Capacity Development
	2.4 Municipal Performance Monitoring, Reporting and Evaluation
3. Development and Planning	3.1 Municipal Infrastructure
	3.2 Disaster Management

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: Local Governance

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

Sub-Programmes 2.1: Municipal Administration					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To develop legislation in response to the needs of municipalities	Number of standard by-laws promulgated	1	2	-	Two standard by-laws in process to be promulgated are Liquor Trading Hours and Credit Control and Debt Collection. Liquor Trading hours was held back as a result of the delay in finalising the Western Cape Liquor Amendment Bill.
	Support initiatives to municipalities in the development or adoption of standard by laws	-	2	2	The Department supported Matzikama and Beaufort West municipalities with; <ul style="list-style-type: none"> Drafting of a Repeal by-law to repeal all Regional by-laws; Drafting of the following by-laws: Public Amenities, Keeping of Animals, Sanitation Services and Industrial Effluent, Keeping of Bees, Public Nuisance, Commonage, Pounds and Street.
	Acts developed	1	1	1	The Western Cape Privileges and Immunities of Councillors Act, 7 of 2011 was promulgated in Provincial Gazette 6937 dated 13 December 2011.
To support municipalities with institutional compliance	Institutional compliance model	-	1	-	The Department revised the project and the model will be operational during 2012/13 financial year.
	Municipalities supported to be institutionally functional after local government elections	-	30	30	Supported Municipalities through the establishment of the help desk and deployment of senior managers at first Council meetings.



Part 2: Departmental Programme Performance

Sub-Programmes 2.1: Municipal Administration					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To promote good governance	Local Government anti-corruption initiatives	1	2	1	The Department conducted an anti-corruption perception survey to inform support initiatives. Anti-corruption training, which included assistance with fraud prevention plans and anti-corruption committees, was provided at Mossel Bay Municipality. This was in addition to anti-corruption awareness facilitated by GIZ in Mossel Bay.
To manage provincial interventions at municipalities experiencing serious governance issues	Interventions on critical governance issues	4	-	7	<p>Hessequa: Post election support rendered due to municipality not able to constitute.</p> <p>Overberg DM: Karwyderskraal Solid Waste Disposal Site: Supported municipality in securing buy-in of relevant local municipalities.</p> <p>Bitou: Multi-disciplinary team assessed and reported on issues impacting on cash-flow.</p> <p>Oudtshoorn: On the basis of Special Investigating Unit (SIU) preliminary report, Council requested to precautionary suspend municipal manager.</p> <p>Overberg DM: Provided capacity to fulfil role of municipal manager for period of six months.</p> <p>Breede Valley: Legal technical support rendered to Council iro municipal manager appointment process.</p> <p>Swellendam: Informally intervened due to quorum for decision-making not being attained.</p>
Nationally Prescribed Indicators	Number of municipalities assessed and complying with relevant legislation	-	30	-	Assessment will be done once the compliance model is finalised.

Sub-Programmes 2.1: Municipal Administration					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of municipalities that are investigated in terms of Section 106 of Municipal System Act (MSA)	1	-	-	There were no Section 106 investigations conducted.
Sub-Programme 2.2: Public Participation					
To strengthen public participation through effective communication between municipalities and communities	Municipalities supported with the establishment of ward participatory structures	-	25	25	<p>The following municipalities established their ward committees: Matzikama, Cederberg, Bergrivier, Saldanha Bay, Swartland, Witzenberg, Drakenstein, Stellenbosch, Breede Valley, Langeberg, Theewaterskloof, Overstrand, Cape Agulhas, Kannaland, Mossel Bay, George, Oudtshoorn, Knysna, Beaufort West, Laingsburg and Prince Albert.</p> <p>City of Cape Town, Swellendam, Bitou, and Hessequa municipalities will complete their Ward Committee establishment in the next financial year.</p>
	Training and capacity-building programmes provided for ward committee members	-	2	2	<p>The Department provided Ward Committee Induction training to all local municipalities in the Central Karoo and Overberg Districts except for Swellendam, which will only complete their ward committee establishment in the next financial year. In place of Swellendam, induction training was rolled out to the Breede Valley and George municipalities.</p> <p>In addition, the Department also supported the following municipalities with the roll out of their internal Ward Committee orientation programmes: Stellenbosch, Drakenstein, Witzenberg, Breede Valley, George, Oudtshoorn, Knysna, Prince Albert, Matzikama, Bergrivier, and Saldanha Bay.</p>



Part 2: Departmental Programme Performance

Sub-Programme 2.2: Public Participation					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To strengthen public participation through effective communication between municipalities and communities	Municipalities supported with the development of citizen communication strategies	-	6	6	Supported Witzenberg, Cape Winelands, Laingsburg, Oudtshoorn, West Coast and Stellenbosch municipalities with the development of Communication Strategies.
Nationally Prescribed Indicators	Number of municipalities with functional ward committees	15	15	21	The following municipalities established their ward committees: Matzikama, Cederberg, Bergrivier, Saldanha Bay, Swartland, Witzenberg, Drakenstein, Stellenbosch, Breede Valley, Langeberg, Theewaterskloof, Overstrand, Cape Agulhas, Kannaland, Mossel Bay, George, Oudtshoorn, Knysna, Beaufort West, Laingsburg and Prince Albert. City of Cape Town, Swellendam, Bitou, and Hessequa municipalities will complete their Ward Committee establishment in the next financial year.
	Number of citizen satisfaction surveys conducted	1	1	1	The survey was conducted in Matzikama, Bergrivier, Langeberg, Stellenbosch, Overstrand and Theewaterskloof municipalities.

Sub-Programme 2.2: Public Participation

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Sub-Sub Programme 2.2.1: Service Delivery Integration					
Management model for the Thusong Centre programme	Co-ordinate provincial Thusong intersectoral steering committee	-	4	6	
	Thusong managers trained	-	23	24	24 Centre Managers were trained in the Junior Management Development Programme.
	Develop Sustainability Plan for Thusong Service Centers	-	1	1	
	Support initiatives to establish new Thusong Centres	-	2	3	Opened: Murraysburg, Ceres, and Bitterfontein Thusong Centres. Completed construction of: Paarl East, Robertson and Prince Albert Thusong Service Centres.
Sustainable functioning of Thusong Service Programme	Number of Thusong Mobiles held	1	24	24	Rolled out 24 Thusong Mobiles in different areas, benefiting 37 000 people.
District location Plan	District location Plan for the Thusong Zones	-	1	1	The Thusong Location Plan was developed for each Local Municipality through the Thusong Accessibility Analysis study.



Part 2: Departmental Programme Performance

Sub-Programme 2.2: Public Participation					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Sub-Sub Programme 2.2.1: Service Delivery Integration					
To support co-operative governance between the three spheres of government	Number of case Referrals on Inter-governmental Relations (IGR) issues.	-	40	31	Some referrals were channelled through the IDP Indaba process as "IDP Indaba Agreements".
	Number of inter-governmental meetings convened	8	8	7	The following IGR meetings were convened: Forum of Provincial Minister of Local Government and Executive Mayors (MINMAYTECH), Forum head of Department of Local Government and Municipal Managers (MINMAY) and Premier's Co-ordinating Forum (PCF). PCF did not take place in the first quarter due to municipal elections.
Nationally Prescribed Indicators	Number of municipalities with functional IGR structures (District Co-ordinating Forums (DCFs))	4	5	4	Overberg DCF only met once.

Sub-Programme 2.2: Public Participation

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Sub-Sub Programme 2.2.2 : Integrated Development Planning					
To improve the quality of Integrated Development Planning (IDPs) to give effect to service delivery	Number of support programmes to municipalities	1	4	4	The following support programmes were provided to municipalities: <ul style="list-style-type: none"> • IDP learnership; • IDP Managers Forum; • IDP analysis training; and • IDP hands on support.
	Municipalities with realistic and implementable plans	27	27	27	The IDPs of Bergrivier and Saldanha Bay municipalities were not considered to be realistic and implementable.
	IDP analysis framework developed	-	1	1	
	Municipalities supported to develop area/ neighbourhood based development plans	-	5	5	The following municipalities were supported: Beaufort West, Mossel Bay, Cederberg, Theewaterskloof, and Witzenberg
To strengthen Inter-governmental planning and budget through establishment of IDP as the single co-ordinating plan of Government	Provincial departments participating in the annual IDP assessment process	-	6	8	The following Departments participated in the Annual IDP assessment process: Environmental Affairs and Development Planning, Agriculture, Human Settlements; Economic Development and Tourism, Health; Public Works and Transport, Cultural Affairs and Sport, and Community Safety.



Part 2: Departmental Programme Performance

Sub-Programme 2.2: Public Participation					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Sub-Sub Programme 2.2.2 : Integrated Development Planning					
To strengthen Inter-governmental planning and budget through establishment of IDP as the single co-ordinating plan of Government	Departments and municipalities engaged on IDP priorities implementation and budget alignment	28 (municipalities)	40	45	A total of 29 municipalities, 12 provincial departments, and four national departments were represented at the IDP Indaba 2. In addition three state- owned enterprises also took part in the IDP Indaba process.
	Number of IDP Indaba agreements monitored	-	60	72	A total of 72 IDP Indaba agreements were captured in the web based Monitoring and Evaluation (M&E) tool and monitored through the IDP Indaba PSO10 working group. Substantial progress has been made with responses from sector departments on 65 of these agreements.
Sub-Sub Programme 2.2.3 : Community Development Programme					
To provide information to communities to access government services	Information sessions in communities	300	300	336	The information sessions facilitated covered the following topics: Social Grants, Substance Abuse, Economic Opportunities, Housing Consumer Education, Child Maintenance, Co-operatives, Skills Training, Services rendered by SASSA, Promotion of Administrative Justice Act, Economic Empowerment, Know Your Service Rights, Job Creation, Fire and Floods, Teenage Pregnancy, Rights of Elderly people, etc.

Sub-Programme 2.2: Public Participation

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Sub-Sub Programme 2.2.3 : Community Development Programme					
To provide information to communities to access government services	Partnerships with relevant stakeholders	12	12	12	The Department entered into partnerships with, Hopefield women on the move, Anglo African Management Trust, George Civil Society, Commission for Gender Equality, Atlantis Youth Development Forum, West Coast Community Foundation and FNB Khayelitsha, Grassroots Soccer branch, Partnerships with Departments included the following Departments: Labour, Trade and Industry, Rural Development, and Water Affairs.
	Government initiatives supported by CDWs	-	12	15	The government initiatives supported include: <ul style="list-style-type: none"> • Home Affairs : Mass Registration; • Department of Justice: Child Maintenance; • Special Investigating Unit (SIU): Outreach; • Human Settlements: Nuwe Begin Programme for relocation of beneficiaries; • Environmental Affairs: Mini Summit on Climate Change, and the launching of Nursery and Herb Garden project; • Social Development: Outreach programme in Sophia Town and Eerste Rivier; and • Public Works: roadwork learnership.
	Case referrals to government services	-	21 600	22 967	Case referrals relate mainly to government information or support services (for example access to grants).



Part 2: Departmental Programme Performance

Sub-Programme 2.2: Public Participation					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Sub-Sub Programme 2.2.3 : Community Development Programme					
Facilitate community access to socio-economic opportunities	Number of community projects supported	32	36	39	A variety of community projects were supported by the CDW programme, such as sewing project in Kliprand, Food Garden at the HM Dlikidla Primary school, Administrative and technical support to 28 Back Yard Chicken Farm Projects in Doring Bay. Assistance to Kopanong Cooperative with registration, drafting of business plan and budget and submission to National Development Agency (NDA).
Nationally Prescribed Indicators	Number of CDWs deployed in municipalities	174	180	164	Staff number reduced due to deaths, retirements and resignations. The Department is in the process of appointing more CDW supervisors.
	Municipalities where full CDW programmes are implemented	25	24	23	Swellendam did not sign the Memorandum of Understanding (MOU). CDWs report to Province and are assigned to Langeberg and other areas on request.
	Number of Izimbizo held by MECs, Mayors and Councillors	-	-	1	Minister of Human Settlements had an Outreach Programme in Nyanga.
	Number of Izimbizo supported	3	-	1	Supported Minister of Human Settlements Outreach Programme in Nyanga.

Sub-Programme 2.3: Capacity Development

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To provide support and advisory services to municipalities	Experts deployed from the pool of expertise to provide hands-on support to municipalities	-	6	9	<p>The Department deployed expertise from the pool of expertise to assist municipalities as follows:</p> <ul style="list-style-type: none"> • Langeberg and Stellenbosch Municipalities: development and implementation of a Performance management system; • Saldanha Bay Municipality: implementation of a change management process; • Prince Albert, Drakenstein, Bitou, and Cape Winelands District: Organisational Design projects – both macro and micro structures with implementation; • Overberg: appointment of Acting Municipal Manager (MM); and • Various Municipalities: recruitment process of sect 56/57 Managers.
	Municipal Professionalisation programme	-	1	-	Project was elevated to the National Department where the development and implementation will now take place.
	Provincial framework for municipal support	-	1	-	Framework was consulted both in the Department and only Cabinet sign off is required.



Part 2: Departmental Programme Performance

Sub-Programme 2.3: Capacity Development					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To provide support and advisory services to municipalities	Mobilisation of external partnerships	-	1	2	<ul style="list-style-type: none"> The Hanns Seidel Foundation supported all municipalities with councillor training. Furthermore specific municipalities were supported with municipal Codes, By-Laws and related law enforcement training as well as anti-corruption awareness campaigns amongst Councillors. GIZ supported the rolling out of Shared services in the West Coast and Eden Districts, and anti-corruption training for Councillors in Mossel Bay and Overberg District Municipalities.
To provide support to municipalities with the human resource capacity	Candidates benefiting from the municipal bursary scheme	-	10	11	11 Bursars were registered on the Municipal Bursary Programme for the 2012 academic year. All the candidates commenced their studies
To provide support to municipalities with the implementation of the Municipal Property Rates Act (MPRA)	MPRA implementation guideline	-	1	1	

Sub-Programme 2.3: Capacity Development

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of municipalities with skills plan adopted	30	30	30	All Municipal skills development plans were submitted to the LGSETA by the requested time.
	Number of municipal support plans developed	29	29	27	The Department changed its municipal support strategy towards "impact driven solutions". As a result, the Department initiated cross-cutting projects that supported a number of municipalities during the same initiative. Further to these, the Department also initiated a number of municipal-specific support initiatives, based on municipal needs and requirements.
	Number of councillor leadership training programmes implemented	-	2	2	Phase 2 Councillor training was conducted during the second half of 2011. This Training initiative was supported by the Hanns Seidel Foundation. 1481 attendees at six modules were registered on the programme. The Department co-funded R1 million of the Executive Leadership Development Programme (ELDP), together with South African Local Government association (SALGA) Western Cape. The University of the Western Cape (UWC) presented the accredited course to 80 councillors.



Part 2: Departmental Programme Performance

Sub-Programme 2.3: Capacity Development

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of municipalities where shared services is implemented	4	5	3	<p>Three of the District Municipalities (DM) in the Province implemented projects on a shared services basis. These are:</p> <ul style="list-style-type: none"> Central Karoo DM: supports Prince Albert with the financial system, municipal codes, by-laws and presiding officer. Eden DM: Information Communication Technology (ICT), Collaborator, and Internal audit. Cape Winelands DM: Collaborator, global insights data set, ID campaign, vehicle tracking, ID technical advice and training, ward based planning, customer survey, Internet kiosk, and poverty mapping.
	Number of competency assessments of section 57 managers conducted	-	-	-	
	Number of technical experts deployed to municipalities	6	4	6	The Department secured the support of two town planners and four engineers from the Development Bank of South Africa (DBSA) in a combined initiative with the Bank.
	Number of institutional performance management systems in place	-	30	30	All 30 municipalities have implemented Performance Management systems.

Sub-Programme 2.3: Capacity Development

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of section 57 managers with signed employment contracts	148	185	131	The Department collects employment and performance contracts of section 57 managers on an ongoing basis. The year witnessed a high turn-over of section 57 managers which resulted in the collection being an on-going process.
	Number of section 57 managers with signed performance agreements	148	185	120	The year witnessed a high turn-over under section 57 managers which results in the collection being an on-going process.
	Number of municipalities that are supported in MPRA implementation	29	30	25	The MPRA no longer applies to the Districts, hence the actual performance of 25. The Department established an MPRA focus group that consists of municipal practitioners. The group meets on a quarterly basis to discuss challenges experienced in the MPRA field and to share best practices.
	Number of municipalities that are implementing MPRA	29	30	25	The MPRA no longer applies to the Districts, hence the actual performance of 25.

Sub- Programme 2.4: Municipal Performance Monitoring, Reporting and Evaluation

To co-ordinate municipal information in the Province	Performance monitoring and evaluation Framework.	-	1	1	
	Updated reporting templates based on new data requests	-	4	4	Indicators were developed to collect quarterly municipal information for the reporting template.



Part 2: Departmental Programme Performance

Sub-Programme 2.4: Municipal Performance Monitoring, Reporting and Evaluation					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To monitor and evaluate municipal performance	Tabling of Annual Section 47 Report	1	1	1	The Section 47 Report was submitted to the relevant stakeholders and published in the Provincial Gazette.
Nationally Prescribed Indicators	Number of municipal quarterly performance reports submitted timeously	4	4	4	All quarterly reports were submitted timeously ie Outcome 9 quarterly report to National Department of Co-operative Governance.
	Number of municipal annual performance reports submitted timeously	29	30	28	Swellendam and Oudtshoorn municipalities did not table their annual reports within the legislated timeframe.
	Number of oversight reports submitted by Councils	29	30	27	Swellendam and Oudtshoorn municipalities did not table their annual reports within the legislated time frame. The Oversight reports were therefore outstanding. Kannaland did table, however, their Oversight report was never submitted to the Department.
	Number of municipalities that are implementing Municipal Finance Management Act (MFMA)	30	-	30	
	Number of municipalities supported with MFMA implementation	30	-	30	

Sub-Programme 2.4: Municipal Performance Monitoring, Reporting and Evaluation

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of municipalities that have achieved unqualified audits	22	-	24	<ul style="list-style-type: none"> Overberg, Prince Albert, and Laingsburg municipalities have qualified audit opinions. Swellendam, Oudtshoorn and Kannaland audits were still in progress.
	Number of municipalities supported in Annual Financial Statements (AFS) preparation	30	-	30	
	Number of municipalities submitted AFS by 31 August	30	-	19	There were 19 municipalities that submitted AFS on time. Municipalities that did not submit on time include: Bergrivier, Matzikama, Overberg, Theewaterskloof, Swellendam, Eden District, Bitou, Oudtshoorn, Kannaland, Langeberg and Prince Albert.
	Number of municipalities monitored on the implementation of grant funding	30	-	30	All municipalities were monitored on grant funding.
	Number of municipalities with functional performance audit committees	30	-	5	Municipalities with functional performance audit committees were: Theewaterskloof, Cape Agulhas, Overberg DM, and Overstrand.
	Number of municipalities with Internal Audit Units	30	-	29	All municipalities have internal audit units, with the exception of Prince Albert Municipality.



Part 2: Departmental Programme Performance

Sub-Programme 2.4: Municipal Performance Monitoring, Reporting and Evaluation					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of Provincial Spatial Development Framework (PSDF) in place	-	-	1	The PSDF was approved in 2009.
	Number of municipalities with Spatial Development Planning (SDPs) aligned to the PSDF and PGDS	-	-	8	Municipalities with aligned SDPs are: Stellenbosch, Drakenstein, George, Knysna, City of Cape Town, Saldanha Bay, Theewaterskloof and Cape Agulhas.
	Number of municipalities implementing Land Use Management System (LUMS)	-	-	-	
	Number of municipalities Supported to develop their LUMS	-	-	-	
	Number of municipalities with Local Economic Development (LED) strategies/ plans reviewed annually	30	-	30	
	Number of Municipalities with LED structures	30	-	30	

Sub-Programme 2.4: Municipal Performance Monitoring, Reporting and Evaluation

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of Households with access to basic services (water, electricity and sanitation)	1 448 470	-	Water: 1 526 997 Electricity: 1 498 346 Sanitation: 1 379 741 Refuse removal: 1 541 839	
	Number of households with access to free basic services	279 514	-	702 681	
	Number of municipalities that have updated indigent Registers for the provision of free basic services	28	25	25	District Municipalities do not provide basic services as they no longer have district management areas.



Part 2: Departmental Programme Performance

Programme 3: Development and Planning

Purpose: To promote and facilitate effective disaster management practices and to ensure well maintained municipal infrastructure.

Sub-Programme 3.1: Municipal Infrastructure

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To ensure efficient and effective expenditure of Municipal Infrastructure Grant (MIG) funds	Number of municipalities monitored on the MIG expenditure to enhance performance of infrastructure delivery	28	24	24	The Department monitored all municipalities except the five districts and City of Cape Town.
To support municipalities with potential solutions to Bulk Infrastructure	Municipalities supported with Bulk Infrastructure planning and implementation (districts)	5	5	5	Supported municipalities in all the districts.
	Guideline for financing municipal infrastructure	-	1	1	A guideline for financing municipal infrastructure was developed after completing the Infrastructure Financing Strategy at Drakenstein municipality.
Nationally Prescribed Indicators	Number of municipalities submitting monthly reports on MIG performance	28	24	24	The Department monitored all municipalities except the five districts, and the City of Cape Town, as they do not receive MIG funds.
	Number of municipalities that have been supported on MIG spending	28	24	24	The Department supported all municipalities except the five districts and the City of Cape Town, as they do not receive MIG funds.

Sub-Programme 3.1: Municipal Infrastructure

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of municipalities that have registered projects on MIG Management Information System (MIS)	28	24	24	The Department supported all municipalities except the five districts and the City of Cape Town, as they do not receive MIG funds.

Sub-Programme 3.2: Disaster Management and Fire Brigade Services

To co-ordinate effective preparedness and rapid response to any potential incidents/ disasters	Support initiatives provided to ensure functional disaster management centres	-	6	6	<ul style="list-style-type: none"> Supported City of Cape Town and districts on their disaster initiatives; Drafted a report on the functionality of all Disaster Management Centres and conducted Assessment of GIS needs in West Coast; Procurement and installation of the video wall. Facilitated Software Reporting system training with National Disaster Management Centre. Facilitated an exercise to test the communication between PDMC, West Coast, and the Central Karoo Centres. Hands on support provided to Cape Winelands District Municipality to establish its Centre.
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Part 2: Departmental Programme Performance

Sub-Programme 3.2: Disaster Management and Fire Brigade Services					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To co-ordinate effective preparedness and rapid response to any potential incidents/ disasters	Support initiatives to Provincial Departments, municipalities and State Owned Enterprises in developing disaster preparedness plans	-	2	2	Assisted the Department of Health and Airports Company SA (ACSA) with Disaster Management plans.
To co-ordinate disaster rehabilitation, reconstruction and relief	Number of disaster assessments conducted	-	-	3	Conducted assessment of : <ul style="list-style-type: none"> • June 2011 floods in Eden, Cape Winelands and Overberg; • The outbreak of Avian Influenza, and • Water shortage in Overstrand Municipality.
	Number of disaster debriefings/ post event analysis conducted	-	1	1	Facilitated provincial drought debriefing with all stakeholders. Compilation of a detailed post-event analysis report pertaining to drought for the Eden and Central Karoo regions.
	Number of disaster declarations facilitated	-	1	1	Eden District Municipal area: George, Hessequa, Mossel Bay, and Kannaland were declared as of disaster areas owing to flooding.
	Number of disaster recovery incidents/disasters monitored and supported	-	2	4	The following disaster incidents were monitored and supported: <ul style="list-style-type: none"> • Previous floods (2006 to 2008) • Drought projects in Eden and Central Karoo Districts; • June 2011 floods in Eden; and • Avian influenza outbreak in Eden.

Sub-Programme 3.2: Disaster Management and Fire Brigade Services

Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
To facilitate and co-ordinate the reduction of potential risks posed by hazards	Number of municipalities supported with the compilation of disaster management chapters in IDPs	6	6	6	The following municipalities were supported: Cederberg, Saldanha Bay, Witzenberg, Cape Agulhas, Overstrand, and Laingsburg. Disaster Management Chapter indicators incorporated into provincial IDP analysis tool.
	Disaster hazard risk and vulnerability assessment support programme	-	1	1	The standardised risk assessment methodology was completed and accepted by all the Heads of Centres.
	Hazard awareness campaigns	-	1	1	A 3-day awareness campaign took place in October 2011 and the Department funded three legacy awareness programmes.
To ensure effective and economical fire services	Training programme for special operations response task team	-	2	2	Special operations response task teams were trained on collapsed buildings, and trench rescue. The Department also completed training for 25 Urban Search and Rescue technicians.
	Number of uniform standards/ regulations developed	1	1	-	Western Cape Provincial Fire Regulations were completed and submitted for legal opinion.
	Support initiative to increase wild land firefighting capacity	-	1	1	The Integrated Fire Management Concept introduced the principle of rapid fire attack.
Nationally Prescribed Indicators	Number of municipalities with applicable Disaster Management Frameworks (districts and metro)	3	2	2	Municipalities with applicable Disaster Management Frameworks are Cape Winelands and West Coast District Municipalities



Part 2: Departmental Programme Performance

Sub-Programme 3.2: Disaster Management and Fire Brigade Services					
Strategic Objectives	Performance Indicators	Baseline (Actual Output) 2010/11	Actual Performance Against Target		Reason for Variance
			Target	Actual	
Nationally Prescribed Indicators	Number of municipalities with applicable Disaster Management plans	15	15	16	The Department supported the following Municipalities with applicable Disaster Management plans: Kannaland, Swellendam, Cape Agulhas, Eden, Overberg, Cape Winelands, West Coast, Central Karoo, City of Cape Town, Oudtshoorn, Hessequa, George, Knysna, Theewaterskloof, Overstrand, and Bitou.
	Number of meeting of the Inter-governmental Disaster Management structures	4	4	8	The following Disaster Management IGR meetings were held: <ul style="list-style-type: none"> • MINMAYTECH • Provincial Disaster Management Steering Committee/ Advisory Forum • District and City Disaster Management Advisory Forums • Work group sub-committee on Social Relief.
	Number of Provincial fire preparedness reports compiled	1	1	1	Report was completed in November 2011.
	Number of people/training centres accredited (investigated) in terms of the Act	-	-	1	Investigation was completed by Category of Authorised Persons (CAPs) committee and submitted.
	Number of investigations conducted by CAPS in terms of the Fire Services Act	1	-	1	A CAPS investigation was conducted in Oudtshoorn during February 2012.





Part 3: Annual Financial Statements

WESTERN CAPE PROVINCE

DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2012

Contents

Report of the Audit Committee	43
Report of the Accounting Officer	45
Report of the Auditor-General	53
Accounting Policies	57
Appropriation Statement	63
Notes to the Appropriation Statement	69
Statement of Financial Performance	71
Statement of Financial Position	72
Statement of Changes in Net Assets	73
Cash Flow Statement	74
Notes to the Annual Financial Statements	75
Disclosure Notes to the Annual Financial Statements	86
Annexures to the Annual Financial Statements	95

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2012

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, The Department of Local Government 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 seven meetings were held.

Name of Member	Number of Meetings Attended
Mr A Amod (Chairperson up to 31 December 2011)	6
Mr Z Hoosain (Chairperson from 1 January 2012)	7
Ms J Gunther	7
Mr K Larkin	6
Mr L van der Merwe	7
Mr M Burton (Appointed 1 January 2012)	1

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

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 Provincial Finance Management Act (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.

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa. Other than the matters reflected in the Auditor-General's Audit and Management Reports and the matters highlighted below, no material deficiencies in the system of internal control were noted:

- **Areas highlighted by Internal Audit for improvement**

During the year, key control deficiencies were noted by Internal Audit in the following areas:

- Disaster operations
- Disaster risk reduction

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

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.



REPORT OF THE AUDIT COMMITTEE

for the year ended 31 March 2012

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 thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report; and
- reviewed adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's opinion 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

The Audit Committee reports that five of the six planned areas of the approved Internal Audit plan were tabled as at 31 March 2012. The outstanding report was tabled after year end.

As reported in the previous year, the Committee is of the view that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of further high risk areas.

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 continue to 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, 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.

Chairperson of the Governance and Administration Cluster Audit Committee

Date: 06 August 2012

Mr. Z. Husain

Chairperson of the Governance and Administration Cluster Committee

11 August 2012

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

Report of the Accounting Officer

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

1. General review of the state of financial affairs

- **Spending trends**

The Department spent 99.9% of its budget allocation.

The R172 000 under spending was owing to gazetted transfers that could not be made due to conditions within the agreements not being met.

- **Virement:**

All virements were undertaken within the guidelines of Provincial Treasury: from Programme 2 totaling R470 000 into Programmes 1 and 3, R358 000 and R1 12 000 respectively.

2. Capacity constraints

There is currently a lack of capacity as the new structure has not been fully populated. There is however an agency agreement in place with the Department of Human Settlements to assist with the capacity challenges.

3. Utilisation of donor funds

None.

4. Trading entities and public entities

None.

5. Organisations to whom transfer payments have been made

All transfer payments and the purposes for the payments made are reported in Annexures 1A –

1E of the Notes to the Annual Financial Statements.

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

6. Public Private Partnerships (PPP)

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

7. Corporate governance arrangements

The internal audit and enterprise risk management functions were performed by the Corporate Services Centre.

The Department has an Anti-fraud and Anti-corruption Strategy comprising the following:

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

The updated risk register informed the internal audit plan for 2012/13. Through co-operation between the Department, the Special Investigations Unit and the Forensic Investigative Unit of the Department of the Premier, the Department is making progress in the investigation of alleged corruption at municipalities.

The Department had regular engagements with the Audit Committee and other governance structures throughout the year. The Department has implemented a system to manage the conflicts of interest of employees by ensuring that all Senior Managers and all members of Bid Committees declare their conflict of interest annually.



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

8. Discontinued activities/activities to be discontinued

None.

9. New/proposed activities

None.

10. Asset management

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

The section 42 transfer of assets has not yet been completed between the Department of Local Government and the Department of Human Settlements.

Assets for the Department of Local Government are currently accounted for by the agency function at the Department of Human Settlements on a manual asset register in the absence of LOGIS (which will be rolled out in the new Financial Year).

11. Inventories

The Department does not have a store for inventory because the Department is not currently registered on LOGIS. Stationery procured through the Human Settlements store is received and issued simultaneously to the line managers.

12. Finance leases

In terms of section 79 of the PFMA, the National Treasury approved a departure from the disclosure of amortisation tables for finance lease expenditure in respect of Government Garage (GG) vehicles as required in terms of the Departmental Reporting Framework Guide. The Department for the 2011 financial does not have any GG vehicles to disclose in the Annual Financial Statements however steps will be implemented to ensure full disclosure of GG vehicle expenditure as finance leases, including amortisation tables, for the 2012/13 financial year."

13. Events after the reporting date

No events occurred between 31 March 2011 and the date of approval of the financial statements that necessitated adjusting the financial statements as on 31 March 2011.

14. Information on predetermined objectives

Municipal Legislation

The Pre-and Post-Election support provided to Municipalities during the 2011 Local Government Elections comprised an Election Helpdesk, Legal Advice via telephonic enquiries, emails and various circulars distributed by the Department. A total of 57 enquiries and responses were addressed via the telephone helpdesk and emails for the period February-September 2011. The assistance included support to other role players such as the Independent Electoral Commission (IEC), South African Local Government Association (SALGA), Western Cape (WC), Provincial Treasury (PT), the Department of Cultural Affairs and Sport, Municipal Demarcation Board (MDB), and the Department of Co-operative Governance (DCOG).

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

To assist municipalities with good governance and compliance, the Department developed two standard by-laws on Liquor Trading Hours and Credit Control and Debt Collection.

To support anti-corruption initiatives, the Department appointed a service provider to conduct a survey on the perceptions of corruption among municipal councillors and staff. The findings of the survey indicated that there is a lack of awareness amongst both staff and councillors in respect of the Prevention of Corrupt Activities Act and Protected Disclosure "Whistleblowing" Act. These findings were submitted to all municipalities for comment in order to assist them with the relevant support. Through the assistance of the National Department of Cooperative Governance and GIZ (a donor partner), Mossel Bay was assisted with the development of Fraud Prevention Plans (FPP) and the implementation of Anti-Corruption or "Ethics" Committees.

Public Participation

To strengthen public participation, the Department supported 25 municipalities with the establishment of Ward Committees. Ward Committee induction training was provided to all local municipalities in the Central Karoo and Overberg districts except for the Swellendam Municipality, which will complete its ward committee establishment in the next financial year. This training will be provided to the three remaining districts in the next financial year. The Department also supported municipalities by participating in their internal ward committee orientations and presenting the Draft Provincial Framework: Proposed Guidelines for Municipalities. The support specifically focused on creating awareness around the ward committee accountability and communication model as well as the provincial funding model for out-of-pocket expenses for ward committees.

With the goal of strengthening public participation through communication, West Coast, Oudtshoorn, Stellenbosch, Witzenberg, Laingsburg, and Cape Winelands Municipalities were provided with support to develop and/or revise their Communication Strategies. The strategic support focused on improving institutional arrangements, ensuring compliance to national and provincial guidelines, and aligning the communications and IDP cycles. A focus was also placed on the revision of Language Policies.

All municipalities were further supported through the Provincial and District Public Participation and Communication Forums with communication guidelines, the sharing of best practices, and the facilitation of access to relevant stakeholders of specialised support.

Service Delivery Integration

The Thusong Programme in the Western Cape has been designed to ensure that the residents of the Western Cape can seamlessly access a wide range of integrated public services irrespective of where they live. Therefore the Thusong Programme has been expanded in the Western Cape Province to include Thusong Zones, Thusong Service Centres, Thusong Service Satellite Centres, Thusong Mobiles and the Thusong Extension programme.

Access service delivery norms and standards were developed in collaboration with the anchor departments to guide implementation of the Thusong Programme.

During 2011/2012 the Department rolled out the Thusong Implementation Strategy, strengthening the sustainability of Thusong Service Centres by assisting municipalities with the conclusion of lease agreements and ensuring that the key anchor departments render services at the Thusong Service Centres. Thusong Service Centre Managers attended an



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

accredited Junior Management Development Programme at the Provincial Training Institute. The Cape Access Programme has aligned their roll-out plan to the Thusong Service Centres. Three new Thusong Service Centres have been established in Robertson, Prince Albert and Paarl East. The Department also successfully implemented 24 Thusong Mobiles, reaching over 37 000 residents.

Community Development Programme

The Community Development Programme supported the community through referring 22 967 cases to government departments. The programme played a key role in supporting the Thusong Mobiles, as the Community Development Workers (CDWs) are responsible for communicating the event to communities and providing logistical support.

The CDWs conducted 336 information sessions to inform the public about a range of government services and how to access opportunities. CDWs provide a support service to communities to start socio economic projects to alleviate poverty. Support includes providing advice and drafting business proposals.

The CDW Programme signed service level agreements with government departments to define the level and standard of support each department renders to the other. The partnership agreement with the Department of Human Settlements provided for the Housing Consumer Education programme, where CDWs have been trained as accredited facilitators to educate the community on the value of houses as assets.

The Department concluded 12 agreements with various departments, NGOs and CBOs to facilitate support to the community. Some of the CBO partners are the West Coast Community Foundation and the Atlantis Youth

Development Forum. Through the CDW Programme, community projects are supported in partnership with such stakeholders.

Integrated Development Planning

After completing the assessment of Integrated Development Plans (IDPs), the Department established that 27 of the 30 municipal IDPs were of an acceptable quality. The Department mobilised the participation of national and provincial sector departments in the IDP assessment process. The Department published, for the first time, the Annual IDP Assessment report.

The Department developed the Inter-governmental Planning and Budgeting Framework that guided the introduction and implementation of two IDP Indabas with municipalities instead of one Indaba in the previous year. An Indaba is an event where government departments and agencies communicate their projects and funding to municipalities, and this information is then incorporated into IDPs. All provincial sector departments, three state-owned enterprises, namely Eskom, SANRAL and Transnet, and some national departments, participated in the IDP Indaba 2. The Department also introduced spatial mapping as a sub-project to complement the IDP Indaba. As a result of this all municipalities were provided with maps indicating provincial sector department projects and financial allocations in their areas.

With the introduction of Neighborhood Development Planning (NDP), the Department secured capital funding of R10 million from National Treasury for the implementation of catalytic projects to ensure that the NDPs are implemented in selected municipalities. The Department also introduced the IDP Circular, which was used as the IDP Calendar for the Province and municipalities. It was the first time

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

that the Department collected IDP Process Plans from municipalities with the aim of strengthening support, introducing linkages between provincial and municipal planning processes, and coordinating the participation of provincial departments in district IDP processes.

Capacity Development

During the 2011/12 financial year, the Department changed its strategy with regard to rendering municipal support. A more "impact-driven" approach resulted in the introduction of a number of cross-cutting projects to complement the implementation of municipal-specific support plans. The Department also introduced a pool of expertise through which dedicated resources could be deployed to municipalities in support of specific projects. The following municipalities were supported through this initiative:

- Langeberg and Stellenbosch municipalities: Development and implementation of a Performance Management System;
- Saldanha Bay Municipality: roll-out and implementation of a change management process; and
- Prince Albert, Drakenstein, Cape Winelands and Bitou: Organisational Design Project.

In support of the updating of municipal valuation rolls, the Department developed a step-by-step guide on the implementation of the Municipal Property Rates Act, which was further complemented by the establishment of a property valuations focus group. The focus group comprises all property rates practitioners in municipalities and has proven to be a valuable space for sharing knowledge and expertise.

Municipal Performance Monitoring

To improve co-ordination of municipal information, the Department developed a Municipal Performance Monitoring and

Evaluation Framework. In addition to the quarterly report submitted to national government, the Department produced two municipal performance reports on governance in line with the Municipal Performance Monitoring and Evaluation Framework.

The Department developed and submitted to the Legislature, National Council of Provinces and National Minister for Cooperative Governance a Consolidated Annual Municipal Performance report as prescribed by Section 47 of the Municipal Systems Act.

Municipal Infrastructure

The Department monitored and supported municipalities to spend 99,85% of the Municipal Infrastructure Grant funding for the period ending June 2011. Altogether R311, 604, 240 was spent on 170 municipal infrastructure projects. The Department supports municipalities and the Department of Water Affairs with the planning and implementation of 22 bulk water and sanitation projects in the Western Cape. The Department also developed a guideline for financing Municipal Infrastructure, based on a detailed study conducted in Drakenstein Municipality.

Disaster Management and Fire Brigade Services

The Department increased its aerial fire-fighting capacity by appointing six provincial Working on Fire Ground Teams and mobilising 24 aircraft. As a result of the improved capacity and a rapid-response strategy, the impact of fires during the fire season was drastically reduced.

To ensure effective coordination and responsive disaster management, the Department procured an interactive audiovisual system, facilitated effective disaster management intergovernmental meetings, and supported the Department of Health, Airports Company SA and 16 municipalities with the development of



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

disaster management plans. The Provincial Disaster Management Centre also conducted a post-analysis study on the drought which occurred in Eden and Central Karoo from 2009 to 2011.

The Department assisted District Disaster Management Centres by reviewing their risk assessments to highlight the gaps that need to be addressed. As part of this process, the Department also developed a best practice risk assessment methodology that has been accepted by all Heads of Centres (City of Cape Town and district municipalities), which will be used to update the district risk assessments.

To strengthen the link between developments and prevailing disaster risk, the Department included the relevant disaster management indicators into its provincial IDP analysis tool framework, and secured space in the layout of the Third Generation IDPs for a dedicated chapter on disaster management (in addition to the disaster management plan attached as an annexure in the IDP).

In terms of public awareness, a three-day event was arranged by the Department in conjunction with the City of Cape Town and National Disaster Management Centre, which took place in October 2011. In addition to showcasing community and disaster resilience, there was an educational workshop with primary school pupils on risk reduction and three legacy programmes were funded by the Department and implemented by the City of Cape Town, namely:

- Climate Change & Smart Living Plays in seven primary schools outside the metro,
- YES Drama Festival (high schools within metro), and
- Basic Education Toolkit and Teacher Training (three kits purchased).

15. SCOPA resolutions

Background and SCOPA concerns	Recommendations	Action Plan
Issue was reported in paragraph-13 of the audit report. The matter relates to goods and services with a transaction value above R500 000 were not procured without process of a competitive bid process and the deviation was not approved by the accounting officer.	The irregular expenditure amounting to R912 000, was not condoned. The Committee resolved that the Department adheres to the Supply Chain Management processes.	The expenditure has been condoned.
Issue was reported in paragraph-18 of the audit report on alleged procurement irregularities involving, inadequate qualifications of officials nepotism and financial mismanagement.	The Forensic Investigating Unit's (FIU) investigations relating to the alleged procurement irregularities in the previous year were still outstanding. The Committee resolved that it be provided with a progress report on these cases.	All FIU cases have been resolved except for one, and where applicable the recommendations have been implemented.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

Background and SCOPA concerns	Recommendations	Action Plan
Issue was reported in paragraph-14 of the audit report. The matter relates to awards made to suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state as per the requirements of Treasury regulation 16A8.3 and Practice Note 7 of 2009/10.	Due to awards which were given to suppliers even though they did not submit a declaration on whether they are employed by the State or connected to any person employed by the State as per the requirement of the Treasury regulation and Practice Note: the Committee requested that the Department ensures that the internal control processes are effective and that it complies with laws and regulations.	Since the implementation within the Province of the compulsory supplier registration process, the Department uses suppliers that have a valid status. The previous control process as suggested was implemented.
Issue was raised in the management report relating to the split of the department from one into two and some staff members having dual functions.	That the Accounting Officer must ensure that effective Human Resource management is implemented to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored timeously.	Capacity constraints are still a problem as the Chief Financial Officer (CFO) structure is still not yet fully staffed.
	Internal Audit did not undertake full audit coverage due to staff shortages. Internal Audit resolved that more resources are to be made available to increase audit coverage.	Internal Audit issues are sufficiently dealt with.
Issue reported in paragraph-10 of the management report. Adjustment was as result of incorrect disclosure of cash and cash equivalents and irregular expenditure which was identified during the audit process of R913 953.	Material misstatements were corrected in respect of cash equivalents due to irregular expenditure identified during the audit process. The Department must put effective Internal Control processes in place.	Actions have been implemented to fully disclose all irregular expenditure.
	The Committee raised the following concerns:	
	The budget of more than R800 000 was allocated to Thusong and Atlantis Centres on two occasions but it was not utilised by the City of Cape Town. The City of Cape Town must brief the Committee on the processes that it followed regarding the unused budget.	Noted.
	As small as the vacancy rate is, as reflected in the Annual Report (15%), but it still affects service delivery.	Noted.



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2012

16. List of information required:

That the Department provides the Committee with the following:

- (a) The consolidated Annual Municipal Support Plans;
- (b) The details of the electrical artisan training, as indicated on page 35 of the 2010/11 Annual Report, which municipalities have the training of electrical artisan rolled out as well as the number of artisans that have been trained per municipality;
- © The City of City Town repayment details on transfer for the management and operational cost of the Bontheuwel Thusong Centre;
- (d) A list of consultants, contractors and agency/outsourced services as well as the expenditure attached to it;
- (e) A list of all cases that were forwarded to the Special Investigations Unit for investigations into alleged irregularities at municipalities; and
- (f) A full report on the nature of liability regarding if these are people you are referring to, then please indicate by including their titles.

The Department has submitted all of the above information to SCOPA.

2. Prior modifications to audit reports

None.

3. Exemptions and deviations received from the National Treasury

None.

4. Interim Financial Statements

The Department has complied with the requirement of bi-annual interim financial statements.

5. Approval

The Annual Financial Statements set out on pages 42 to 100 have been approved by the Accounting Officer.

H Fast
Accounting Officer
Date: 31 May 2012

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE No. 14: WESTERN CAPE DEPARTMENT OF LOCAL GOVERNMENT

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Department of Local Government, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2011 (Act No. 6 of 2011)(DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.

4. 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 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



REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

5. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Local Government as at 31 March 2012, and their financial performance and cash flows for the year then ended, in accordance with the *Departmental Financial Reporting Framework* prescribed by National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Payables

6. Payables which exceed the payment term of 30 days as required in Treasury Regulation 8.2.3 amount to R2 674 000. This amount, in turn, exceeds the voted funds to be surrendered of R172 000 as per the statement of financial performance by R2 502 000. The amount of R2 502 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

Additional matters

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 45 to 52 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

8. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they “present fairly”. Section 20(2) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

Predetermined objectives

10. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 10 to 40 of the annual report.
11. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
12. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
13. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

14. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Procurement and contract management

15. Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations.
16. Quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed in order to comply with Treasury regulation 16A8.3.
17. The preference point system was not applied to all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act no.5 of 2000).
18. Employees of the department performed remunerative work outside their employment in the department without written permission from the relevant authority as required by section 30 of the Public Service Act.



REPORT OF THE AUDITOR-GENERAL

for the year ended 31 March 2012

Expenditure management

19. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.
20. The accounting officer did not take effective steps to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

INTERNAL CONTROL

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Leadership

22. The accounting officer did not sufficiently evaluate whether management has implemented effective internal controls to ensure that senior management met their responsibilities. This is evident by the non-compliance matters identified relating to supply chain management (SCM) regulations and PFMA.

Financial and performance management

23. Management has not adequately ensured that proper guidance is provided to all staff involved in the procurement process and that sufficient training has occurred to ensure compliance with SCM regulations and PFMA.

Other reports

Investigations

24. Procurement fraud, alleged fraud and alleged human resource irregularities were being investigated.
25. Various investigations in respect of irregularities at municipalities were conducted by the Special Investigative Unit (SIU). The department is responsible for the payment of these investigations.

Auditor-General

Cape Town
31 July 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ACCOUNTING POLICIES

for the year ended 31 March 2012

Accounting Policies

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 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.

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.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

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

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts 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.



ACCOUNTING POLICIES

for the year ended 31 March 2012

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

2.4 Direct Exchequer payments

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

2.5 Aid assistance

Aids assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value 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 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50 per cent 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 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

ACCOUNTING POLICIES

for the year ended 31 March 2012

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

3.2 Goods and services

Payments made during the year 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.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

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

3.4 Payments for financial assets

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

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.



ACCOUNTING POLICIES

for the year ended 31 March 2012

4. Assets

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

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

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 (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are 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 formula.

4.8 Capital assets

4.8.1 Movable assets Initial recognition

A capital asset is recorded in the asset register 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 assets" and is capitalised in the asset register of the department on completion of the project.

ACCOUNTING POLICIES

for the year ended 31 March 2012

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 assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 Contingent assets

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

5.4 Commitments

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

5.5 Accruals

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

5.6 Employee benefits

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

5.7 Lease commitments

Finance lease

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 lease

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.



ACCOUNTING POLICIES

for the year ended 31 March 2012

5.8 Impairment and other provisions

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

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

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the 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 (PPP)

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.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Appropriation per programme									
Programmes	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payments	13 242	(100)	-	13 142	13 142	-	100.0	9 033	9 033
Transfers and subsidies	53	(3)	-	50	50	-	100.0	1	1
Payment for capital assets	2 839	3	244	3 086	3 086	-	100.0	2 869	2 869
Payment for financial assets	88	100	14	202	202	-	100.0	2	2
	16 222	-	258	16 480	16 480	-	-	11 905	11 905
2. Local Governance									
Current payments	81 632	39	(479)	81 192	81 176	16	100.0	64 957	64 861
Transfers and subsidies	8 622	(215)	-	8 407	8 251	156	98.1	13 726	12 375
Payment for capital assets	-	176	-	176	176	-	100.0	478	478
Payment for financial assets	200	-	(200)	-	-	-	-	-	-
	90 454	-	(679)	89 775	89 603	172	-	79 161	77 714
3. Development and Planning									
Current payments	21 782	(17)	592	22 357	22 357	-	100.0	17 965	17 965
Transfers and subsidies	666	17	-	683	683	-	100.0	3 100	3 100
Payment for capital assets	873	-	(171)	702	702	-	100.0	878	5
Payment for financial assets	-	-	-	-	-	-	-	-	-
	23 321	-	421	23 742	23 742	-	-	21 943	21 070
Total	129 997	-	-	129 997	129 825	172	99.9	113 009	110 689
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts					787			96	
Actual amounts per Statement of Financial Performance (Total Revenue)				130 784				113 105	
Actual amounts per Statement of Financial Performance Expenditure					129 825				110 689



APPROPRIATION STATEMENT

for the year ended 31 March 2012

Appropriation per Economic classification									
Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	4 495	262	(479)	84 278	84 262	16	100.0	72 807	72 807
Goods and services	32 136	(342)	592	32 386	32 386	-	100.0	19 120	19 024
Interest and rent on land	8 25	2	-	27	27	-	100.0	28	28
Transfers & subsidies									
Provinces & municipalities	6 042	-	-	6 042	5 886	156	97.4	14 686	13 415
Departmental agencies & accounts	1 365	-	-	1 365	1 365	-	100.0	300	300
Non-profit institutions	1 835	(170)	-	1 665	1 665	-	100.0	1 740	1 660
Households	99	(31)	-	68	68	-	100.0	99	99
Gifts and donations	-	-	-	-	-	-	-	2	2
Payment for capital assets									
Machinery & equipment	3 596	176	23	3 795	3 795	-	100.0	4 225	3 352
Software & other intangible assets	116	3	50	169	169	-	100.0	-	-
Payment for financial assets									
	288	100	(186)	202	202	-	100.0	2	2
Total	129 997	-	-	129 997	129 825	172	99.9	113 009	110 689

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 1 - Administration
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	1	(1)	-	-	-	-	-	-	-
1.2 Corporate Services									
Current payment	13 241	(99)	-	13 142	13 142	-	100.0	9 033	9 033
Transfers and subsidies	53	(3)	-	50	50	-	100.0	1	1
Payment for capital assets	2 839	3	244	3 086	3 086	-	100.0	2 869	2 869
Payment for financial assets	88	100	14	202	202	-	100.0	2	2
Total	16 222	-	258	16 480	16 480	-	100.0	11 905	11 905

Programme 1 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	6 691	443	-	7 134	7 134	-	100.0	6 107	6 107
Goods and services	6 543	(543)	-	6 000	6 000	-	100.0	2 921	2 921
Interest and rent on land	8	-	-	8	8	-	100.0	5	5
Transfers and subsidies									
Departmental agencies & accounts	50	-	-	50	50	-	100.0	-	-
Households	3	(3)	-	-	-	-	-	-	-
Gifts and donations	-	-	-	-	-	-	-	1	1
Payment for capital assets									
Machinery & equipment	2 723	-	194	2 917	2 917	-	100.0	2 869	2 869
Software & other intangible assets	116	3	50	169	169	-	100.0	-	-
Payment for financial assets	88	100	14	202	202	-	100.0	2	2
Total	16 222	-	258	16 480	16 480	-	100.0	11 905	11 905



APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 2 – Local Governance for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Municipal Administration									
Current payment	19 316	(3 643)	(479)	15 194	15 178	16	99.9	9 702	9 606
Transfers and subsidies	4 570	(220)	-	4 350	4 350	-	100.0	7 534	6 431
Payment for capital assets	-	-	-	-	-	-	-	437	437
2.2 Public Participation									
Current payment	44 754	1 654	-	46 408	46 408	-	100.0	40 825	40 825
Transfers and subsidies	3 052	5	-	3 057	2 901	156	94.9	3 592	3 344
Payment for capital assets	-	176	-	176	176	-	100.0	-	-
Payment for financial assets	200	-	(200)	-	-	-	-	-	-
2.3 Capacity Development									
Current payment	17 562	2 028	-	19 590	19 590	-	100.0	14 430	14 430
Transfers and subsidies	1 000	-	-	1 000	1 000	-	100.0	2 600	2 600
Payment for capital assets	-	-	-	-	-	-	-	41	41
Total	90 454	-	(679)	89 775	89 603	172	99.8	79 161	77 714

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 2 – Local Governance
for the year ended 31 March 2012

Programme 2 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	65 351	(110)	(479)	64 762	64 746	16	100.0	56 687	56 687
Goods and services	16 266	145	-	16 411	16 411	-	100.0	8 247	8 151
Interest and rent on land	15	4	-	19	19	-	100.0	23	23
Transfers and subsidies									
Provinces & municipalities	6 042	-	-	6 042	5 886	156	97.4	12 186	10 915
Departmental agencies & accounts	1 000	-	-	1 000	1 000	-	100.0	-	-
Non-profit institutions	1 520	(170)	-	1 350	1 350	-	100.0	1 440	1 360
Households	60	(45)	-	15	15	-	100.0	99	99
Gifts and donations	-	-	-	-	-	-	-	1	1
Payment for capital assets									
Machinery & equipment	-	176	-	176	176	-	100.0	478	478
Payment for financial assets									
	200	-	(200)	-	-	-	-	-	-
Total	90 454	-	(679)	89 775	89 603	172	99.8	79 161	77 714



APPROPRIATION STATEMENT

for the year ended 31 March 2012

Detail per Programme 3 – Development and Planning for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Municipal Infrastructure									
Current payment	6 382	(543)	-	5 839	5 839	-	100.0	5 293	5 293
Transfers and subsidies	-	-	-	-	-	-	-	500	500
3.2 Disaster Management									
Current payment	15 400	526	592	16 518	16 518	-	100.0	12 672	12 672
Transfers and subsidies	666	17	-	683	683	-	100.0	2 600	2 600
Payment for capital assets	873	-	(171)	702	702	-	100.0	878	5
Total	23 321	-	421	23 742	23 742	-	100.0	21 943	21 070

Programme 3 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	12 453	(71)	-	12 382	12 382	-	100.0	10 013	10 013
Goods and services	9 327	56	592	9 975	9 975	-	100.0	7 952	7 952
Interest and rent on land	2	(2)	-	-	-	-	-	-	-
Transfers and subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	2 500	2 500
Departmental agencies & accounts	315	-	-	315	315	-	100.0	300	300
Non-profit institutions	315	-	-	315	315	-	100.0	300	300
Households	36	17	-	53	53	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	873	-	(171)	702	702	-	100.0	878	5
Total	23 321	-	421	23 742	23 742	-	100.0	21 943	21 070

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

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), disclosure notes and Annexure 1 (A-E) 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 the note to Financial transactions in assets and liabilities to the Annual Financial Statements.

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

4.1 Per programme

Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Administration	16 480	16 480	-	-
Local Governance	89 775	89 603	172	0.19
Operational grants not paid due to conditions in Service Level Agreements not being met.				
Development and Planning	23 742	23 742	-	-



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2012

4.2. Per economic classification

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	84 278	84 262	16	0.02
Goods and services	32 386	32 386	-	-
Interest and rent on land	27	27	-	-
Transfers and subsidies				
Provinces and municipalities	6 042	5 886	156	2.58
Departmental agencies and accounts	1 365	1 365	-	-
Non-profit institutions	1 665	1 665	-	-
Households	68	68	-	-
Payments for capital assets				
Machinery and equipment	3 795	3 795	-	-
Software and other intangible assets	169	169	-	-
Payments for financial assets	202	202	-	-
	129 997	129 825	172	2.60

Operational grants not paid due to conditions of Service Level Agreements not being met.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	129 997	113 009
Departmental revenue	2	787	96
TOTAL REVENUE		130 784	113 105
EXPENDITURE			
Current expenditure			
Compensation of employees	3	84 262	72 807
Goods and services	4	32 386	19 024
Interest and rent on land	5	27	28
Total current expenditure		116 675	91 859
Transfers and subsidies			
Transfers and subsidies	7	8 984	15 476
Transfers and subsidies		8 984	15 476
Expenditure for capital assets			
Tangible capital assets	8	3 795	3 352
Software and other intangible assets	8	169	-
Total expenditure for capital assets		3 964	3 352
Payments for financial assets	6	202	2
TOTAL EXPENDITURE		129 825	110 689
SURPLUS FOR THE YEAR		959	2 416
Reconciliation of Net Surplus for the year			
Voted Funds		172	2 320
Annual appropriation		172	2 320
Departmental revenue	13	787	96
SURPLUS FOR THE YEAR		959	2 416



WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current Assets		1 249	6 196
Cash and cash equivalents	9	547	5 629
Prepayments and advances	10	80	36
Receivables	11	622	531
TOTAL ASSETS		1 249	6 196
LIABILITIES			
Current Liabilities		1 235	6 176
Voted funds to be surrendered to the Revenue Fund	12	172	2 320
Departmental revenue to be surrendered to the Revenue Fund	13	281	7
Bank overdraft	14	779	3 845
Payables	15	3	4
TOTAL LIABILITIES		1 235	6 176
NET ASSETS		14	20
Represented by:			
Recoverable revenue		14	20
TOTAL		14	20

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
Recoverable revenue			
Opening balance		20	-
Transfers		(6)	20
Debts revised		(28)	(101)
Debts recovered (included in departmental receipts)		(14)	(37)
Debts raised		36	158
Closing balance		14	20
Total		14	20



CASH FLOW STATEMENT

for the year ended 31 March 2012

		2011/12	2010/11
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		130 834	113 702
Annual appropriated funds received	1.1	129 997	113 009
Departmental revenue received	2	837	693
Net (increase)/ decrease in working capital		(136)	(563)
Surrendered to Revenue Fund		(2 883)	(686)
Current payments		(116 675)	(91 859)
Payments for financial assets	6	(202)	(2)
Transfers and subsidies paid	7	(8 984)	(15 476)
Net cash flow available from operating activities	16	1 954	5 116
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(3 964)	(3 352)
Net cash flows from investing activities		(3 964)	(3 352)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) in net assets		(6)	20
Net cash flows from financing activities		(6)	20
(Decrease) in cash and cash equivalents		(2 016)	1 784
Cash and cash equivalents at beginning of period		1 784	-
Cash and cash equivalents at end of period	17	(232)	1 784

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

1. Annual Appropriation

1.1 Annual Appropriation

	2011/12			Appropriation Received 2010/11
Programmes	Final Appropriation 2011/12 R'000	Actual Funds Received 2011/12 R'000	Funds not requested/ not received 2011/12 R'000	R'000
ADMINISTRATION	16 480	16 480	-	11 905
LOCAL GOVERNANCE	89 775	89 775	-	79 161
DEVELOPMENT AND PLANNING	23 742	23 742	-	21 943
Total	129 997	129 997	-	113 009

2. Departmental Revenue

	Note	2011/12 R'000	2010/11 R'000
Sales of goods and services other than capital assets	2.1	54	49
Interest, dividends and rent on land	2.2	3	12
Transactions in financial assets and liabilities	2.3	780	582
Transfer received	2.4	-	50
Total revenue collected		837	693
Less: Own revenue included in appropriation	13	(50)	(597)
Departmental revenue collected		787	96

Transactions in financial assets and liabilities includes:

Unused CDW grant received from City of Cape Town and Swellendam municipality and unused fire-fighting assistance funds received from Cape Nature.

2.1 Sales of goods and services other than capital assets

	2		
Sales of goods and services produced by the department		54	49
Administrative fees		54	49
Total		54	49

2.2 Interest, dividends and rent on land

	2		
Interest		3	12
Total		3	12



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
2.3 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		780	582
Total		780	582
2.4 Transfers received	2		
Other governmental units		-	50
Total		-	50
3. Compensation of employees			
3.1 Salaries and wages	3		
Basic salary		57 615	49 205
Performance award		851	716
Service Based		4 098	3 687
Compensative/circumstantial		1 949	1 821
Periodic payments		120	22
Other non-pensionable allowances		7 211	6 712
Total		71 844	62 163
3.2 Social Contributions			
Employer contributions	3		
Pension		7 407	6 262
Medical		4 994	4 366
Bargaining council		17	16
Total		12 418	10 644
Total compensation of employees		84 262	72 807
Average number of employees		319	306

Compensative/circumstantial:

Overtime payments and leave discounting for CDW Workers i.r.o. assistance provided to the Department of Human Settlements wrt housing projects.

Increase in average number of employees:

Staff appointed on new establishment.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
4. Goods and services			
Administrative fees		13	46
Advertising		59	202
Assets less than R5,000	4.1	630	451
Bursaries (employees)		154	60
Catering		1 226	369
Communication		1 393	2 113
Computer services	4.2	474	93
Consultants, contractors and agency/outsourced services	4.3	14 219	7 369
Entertainment		37	33
Audit cost – external	4.4	5 626	3 161
Inventory	4.5	1 498	1 055
Operating leases		667	622
Property payments	4.6	88	1
Rental and hiring		118	6
Transport provided as part of the departmental activities		109	-
Travel and subsistence	4.7	4 154	2 754
Venues and facilities		429	254
Training and staff development		227	235
Other operating expenditure	4.8	1 265	200
Total		32 386	19 024

Catering and Rental & Hiring/Transport provided for departmental activities/Venues and Facilities: Additional contributions provided in conjunction with other role players for meals and refreshments at Thusong Centres. Catering at IDP Indabas and Learnerships.

4.1 Assets less than R5,000	4		
Tangible assets		627	451
Machinery and equipment		627	451
Intangible assets		3	-
Total		630	451

The machinery and equipment consists mainly of the following:
 Office furniture, Computer hardware & systems and Audio-visual equipment.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
4.2 Computer services	4		
SITA computer services		92	-
External computer service providers		382	93
Total		474	93

External computer service providers: Government Information Services (GIS) & DMC

4.3 Consultants, contractors and agency/outsourced services	4		
Business and advisory services		6 668	2 574
Infrastructure and planning		-	280
Legal costs		1 996	552
Contractors		5 398	3 833
Agency and support/outsourced services		157	130
Total		14 219	7 369

Business & Advisory Services:
 Establishment of Pool of experts to render various specialised services to Municipalities.
 Legal costs:
 Overberg Municipality court case.
 Contractors:
 Relates to Fire - fighting services.

4.4 Audit cost – external	4		
Regularity audits		2 233	174
Investigations		3 393	2 987
Total		5 626	3 161

Regulatory audits:
 Audit costs of Auditor-General
 Investigations:
 Payments made to the SIU for investigations.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
4.5 Inventory	4		
Other consumables		13	43
Materials and supplies		10	95
Stationery and printing		1 453	917
Medical supplies		22	-
Total		1 498	1055

Stationery and Printing:
The amount above includes mainly departmental printing, computer consumables and stationery.

4.6 Property payments	4		
Municipal services		1	1
Property maintenance and repairs		87	-
Total		88	1

Cleaning – Disaster Management Centres

4.7 Travel and subsistence	4		
Local		3 932	2 754
Foreign		222	-
Total		4 154	2 754

4.8 Other operating expenditure	4		
Learnerships		999	26
Professional bodies, membership and subscription fees		1	-
Resettlement costs		196	120
Gifts		2	-
Other		67	54
Total		1 265	200

Learnerships:
IDP and Interns in Department.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
5. Interest and Rent on Land			
Interest paid		27	28
Total		27	28
6. Payments for financial assets			
Other material losses written off	6.1	202	2
Total		202	2
6.1 Other material losses written off			
Nature of losses			
GG Vehicle damages		8	2
Overpayment of supplier		192	-
Salary overpayment		2	-
Total	6	202	2
Overpayment to supplier written off on opinion of State Attorney.			
7. Transfers and Subsidies			
Provinces and municipalities	ANNEXURE 1A	5 886	13 415
Departmental agencies and accounts	ANNEXURE 1B	1 365	300
Non-profit institutions	ANNEXURE 1C	1 665	1 660
Households	ANNEXURE 1D	68	99
Gifts, donations and sponsorships made	ANNEXURE 1E	-	2
Total		8 984	15 476

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
8. Expenditure for capital assets			
Tangible assets		3 795	3 352
Machinery and equipment		3 795	3 352
Software and other intangible assets		169	-
Computer software		169	-
Total		3 964	3 352

8.1 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 795	-	3 795
Machinery and equipment	3 795	-	3 795
Software and other intangible assets	169	-	169
Computer software	169	-	169
Total	3 964	-	3 964

8.2 Analysis of funds utilised to acquire capital assets - 2010/11

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 352	-	3 352
Machinery and equipment	3 352	-	3 352
Total	3 352	-	3 352



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	2011/12 R'000	2010/11 R'000
9. Cash and Cash Equivalents		
Investments (Domestic)	547	5 629
Total	547	5 629

Investments (Domestic) represents cash not required by the Department for immediate use and is invested by the Provincial Treasury.

10. Prepayments and Advances		
Travel and subsistence	80	36
Total	80	36

	Note	2011/12			Total R'000	2010/11 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
11. Receivables						
Claims recoverable	11.1	9	-	-	9	111
Recoverable expenditure	11.2	419	5	-	424	303
Staff debt	11.3	67	122	-	189	117
Total		495	127	-	622	531

11.1 Claims recoverable			11		
Provincial departments				9	76
Private enterprises				-	35
Total				9	111

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
11.2 Recoverable expenditure (disallowance accounts)	11		
Disallowance account: Miscellaneous		-	22
Damages : GG-vehicles		138	65
Theft : Laptops		259	19
Overpayment of supplier		5	197
Theft of other electronic equipment		22	-
Total		424	303

Theft of laptops:
 23 laptops issued to the Community Development Workers were lost/stolen and is presently being investigated.

11.3 Staff debt	11		
Bursaries		16	30
Irregular expenditure not condoned		71	30
Income tax		4	3
Telephone		3	13
Salary		95	41
Total		189	117

12. Voted Funds to be Surrendered to the Revenue Fund

Opening balance		2 320	-
Transfer from Statement of Financial Performance		172	2 320
Paid during the year		(2 320)	-
Closing balance		172	2 320



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
13. Departmental revenue and NRF receipts to be surrendered to the Revenue Fund			
Opening balance		7	-
Transfer from Statement of Financial Performance		787	96
Own revenue included in appropriation		50	597
Paid during the year		(563)	(686)
Closing balance		281	7

Transfer from Statement of Financial Performance consists of revenue received i.r.o. of previous year expenditure.

14. Bank Overdraft

Consolidated Paymaster General Account	779	3 845
Total	779	3 845

Consolidated PMG Account:

The amount indicates a bank overdraft and current liability after the consolidation of the PMG on the closing date of the financial year, but is due to the fact that the receipt of the funds requested from PT to cover this amount, only reflects in the Department's bank account immediately after this date.

15. Payables - current

Clearing accounts	15.1	3	2
Other payables	15.2	-	2
Total		3	4

15.1 Clearing accounts

Salary clearing accounts - Pension	15	-	2
Salary clearing accounts - Garnishee order		1	-
Salary clearing accounts - Income Tax		2	-
Total		3	2

15.1 Other payables

Over-payment of refund by supplier	15	-	2
Total		-	2

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	2011/12 R'000	2010/11 R'000
16. Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	959	2 416
Add back non cash/cash movements not deemed operating activities	995	2 700
(Increase)/decrease in receivables – current	(91)	(531)
(Increase)/decrease in prepayments and advances	(44)	(36)
Increase/(decrease) in payables – current	(1)	4
Expenditure on capital assets	3 964	3 352
Surrenders to Revenue Fund	(2 883)	(686)
Own revenue included in appropriation	50	597
Net cash flow generated by operating activities	1 954	5 116
17. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General account	(779)	(3 845)
Cash with commercial banks (Local)	547	5 629
Total	(232)	1 784



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

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

	Note	2011/12 R'000	2010/11 R'000
18. Contingent liabilities and contingent assets			
18.1 Contingent liabilities			
Liable to			
Claims against the department	Annex 2	-	100
Other departments (inter-departmental unconfirmed balances)	Annex 4	234	50
Other	Annex 2	33	100
Total		267	250
19. Commitments			
Current expenditure			
Approved and contracted		9 094	1 834
		9 094	1 834
Capital Expenditure (including transfers)			
Approved but not yet contracted		-	1 873
		-	1 873
Total Commitments		9 094	3 707

Current Expenditure

Included in the above is contracted commitments for consultants for 2012/13.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	2011/12			2012/11
	R'000			R'000
20. Accruals				
Listed by economic classification	30 Days	30 + Days	Total	Total
Goods and services	1 138	2 674	3 812	1 135
Transfers and subsidies	-	-	-	20
Capital assets	-	-	-	44
Total	1 138	2 674	3 812	1 199

	2011/12	2012/11
	R'000	R'000
Listed by programme level		
Programme 1: Administration	2 376	646
Programme 2: Local Governance	706	447
Programme 3: Development and Planning	730	106
Total	3 812	1 199

Accruals over 30 days:

Payment for the erection of a video wall at the Disaster Management Centre was withheld due to system not being tested.

Rescheduling of the payment run date on the Department's Financial System by Provincial Treasury caused payment delays.

Confirmed balances with departments	Annex 4	49	3 260
Total		49	3 260

21. Employee benefits

Leave entitlement	2 351	2 376
Service bonus (Thirteenth cheque)	2 372	1 941
Performance awards	1 267	1 075
Capped leave commitments	1 440	1 349
Total	7 430	6 741

Included in leave entitlement are leave credits, totalling R150,400.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

22. Lease Commitments

22.1. Operating leases expenditure

	Specialised military assets	Land	Buildings & other fixed structures	Machinery and equipment	Total
2011/12	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	546	546
Later than 1 year and not later than 5 years	-	-	-	530	530
Total lease commitments	-	-	-	1 076	1 076
2010/11					
Not later than 1 year	-	-	-	323	323
Later than 1 year and not later than 5 years	-	-	-	422	422
Total lease commitments	-	-	-	745	745

Operating leases commitment for 2011/12:
Includes leasing of photocopiers until 2014/15.

22.2. Finance leases expenditure

	Specialised military assets	Land	Buildings & other fixed structures	Machinery and equipment	Total
2011/12	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	161	161
Later than 1 year and not later than 5 years	-	-	-	22	22
Total lease commitments	-	-	-	183	183
LESS: finance costs	-	-	-	9	9
Total present value of lease liabilities	-	-	-	174	174
2010/11					
Not later than 1 year	-	-	-	236	236
Later than 1 year and not later than 5 years	-	-	-	100	100
Total lease commitments	-	-	-	336	336
LESS: finance costs	-	-	-	25	25
Total present value of lease liabilities	-	-	-	311	311

The Department has leased assets (cellphone & datacard agreements) under finance leases.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
23. Irregular expenditure			
25.1 Reconciliation of irregular expenditure			
Opening balance		913	-
Add: Irregular expenditure - relating to current year		592	913
Less: Amounts condoned		(1 195)	-
Irregular expenditure awaiting condonation		310	913
Analysis of awaiting condonation per age classification			
Current year		310	913
Total		310	913

Irregular Expenditure - Current year:

Comprises non - compliance to SCM procedures.

Amounts Condoned:

Represents irregularities concerning the improper competitive bidding process that was identified during the previous financial year, and a SCM non - compliance matter.

		2010/11 R'000
23.2 Details of irregular expenditure - current year		
Incident	Disciplinary steps taken/criminal proceedings	
Travel agency service procured without competitive bidding process.	No disciplinary step to be taken	243
Non compliance to supply chain procedures.	Disciplinary process currently in process.	39
Tax clearance certificates from suppliers not obtained	To be investigated	199
Quotations not evaluated in terms of PPPF Act (preference point system)	To be investigated	111
Total		592



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

2010/11
R'000

23.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	
Travel agency service procured without competitive bidding process.	Accounting Officer	913
Travel agency service procured without competitive bidding process.	Accounting Officer	243
Non compliance to supply chain procedures.	Accounting Officer	39
Total		1 195

24. Related party transactions

The Department occupies a building (27 Wale Street building) free of charge.

This building is the property of the WC: Department of Transport and Public Works.

All maintenance costs, municipal rates and taxes, municipal services, cleaning and security services in respect of the building are paid for by the WC: Department of Transport and Public Works.

The Department received corporate services from the Corporate Services Centre of the Department of the Premier: WC with effect from 1 April 2010 in respect of the following service areas: Information and communication technology, Organisation development, Provincial training (transversal), Human resource management, Enterprise risk management, Internal audit, Forensic investigations, Legal services and Corporate Communication.

The Department also received a free agency service iro financial and support functions from the WC: Department of Human Settlements.

25. Key management personnel

Officials:

	No. of Individuals	2011/12 R'000	2010/11 R'000
Level 15 to 16	1	1 275	1 378
Level 14 (incl CFO if at a lower level)	4	3 068	1 432
Total		4 343	2 810

New CFO appointed during November 2011.

One Level 13 acting at level 14.

No related party transactions were concluded with key management personnel or family members.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

	2011/12	2010/11
	R'000	R'000
26. Impairment of debt		
Potential irrecoverable debts:		
Households (Out of service staff debtors)	30	42
Private enterprises	38	35
Staff debtors	27	31
Recoverable expenditure (Disallowance: damages & losses)	424	281
Total	519	389

27. Moveable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	880	-	4 928	-	5 808
Computer equipment	519	-	2 630	-	3 149
Furniture and office equipment	361	-	2 248	-	2 609
Other machinery and equipment	-	-	50	-	50
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	880	-	4 928	-	5 808



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-cash	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	3 795	-	(254)	1 387	4 928
Computer equipment	2 604	-	-	26	2 630
Furniture and office equipment	887	-	-	1 361	2 248
Other machinery and equipment	304	-	(254)	-	50
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3 795	-	(254)	1 387	4 928

27.2 Movement for 2010/11

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	2 910	2 030	880
Transport assets	-	2 030	2 030	-
Computer equipment	-	519	-	591
Furniture and office equipment	-	361	-	361
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	-	2 910	2 030	880

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

27.3 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	470	-	470
Additions	-	3	-	733	-	736
TOTAL MINOR ASSETS	-	3	-	1 203	-	1 206

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of minor assets at cost	-	3	-	492	-	495
TOTAL NUMBER OF MINOR ASSETS	-	3	-	470	-	495

27.4 Minor assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Additions	-	-	-	470	-	470
TOTAL MINOR ASSETS	-	-	-	470	-	470

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Number of minor assets at cost	-	-	87	313	-	313
TOTAL NUMBER OF MINOR ASSETS	-	-	-	313	-	313



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

27.5 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	169	-	169
TOTAL INTANGIBLE CAPITAL ASSETS	-	-	169	26	169

27.6 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non- (Development cash (Development work-in- progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	169	-	-	169
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	169	-	-	169

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2010/11
	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	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Thusong centres:										
City of Cape Town	-	-	-	-	-	-	-	-	-	1 000
Cape Winelands district municipality	-	-	-	-	-	-	-	-	-	1 500
Central Karoo district municipality	-	-	-	-	-	-	-	-	-	2 000
Eden district municipality	-	-	-	-	-	-	-	-	-	1 500
Mun : Swartland	500	-	-	500	500	100	500	500	100	-
Mun: Cape Agulhas	2 500	-	-	2 500	2 500	100	2 500	2 500	100	-
CDW Operational cost grant:										
Cape Winelands district municipality	26	-	-	26	26	100	26	26	100	25
Central Karoo district municipality	-	-	-	-	-	-	-	-	-	100
West Coast district municipality	-	-	-	-	-	-	-	-	-	99
Mun: Beaufort-West	312	-	-	312	312	100	312	312	100	299
Mun: Berg river	78	-	-	78	78	100	78	78	100	100
Mun: Bitou	52	-	-	52	52	100	52	52	100	75
Mun: Breede Valley	182	-	-	182	182	100	182	182	100	225
Mun: Cape Agulhas	78	-	-	78	78	100	78	78	100	50
Mun: Cederberg	260	-	-	260	234	90	234	234	100	225
Mun: Drakenstein	182	-	-	182	182	100	182	182	100	343
Mun: George	156	-	-	156	156	100	156	156	100	149
Mun: Hessequa	-	-	-	-	-	-	-	-	-	50
Mun: Kannaland	156	-	-	156	156	100	156	156	100	175
Mun: Knysna	78	-	-	78	78	100	78	78	100	74
Mun: Laingsburg	130	-	-	130	130	100	130	130	100	125
Mun: Langeberg	-	-	-	-	-	-	-	-	-	98
Mun: Matzikama	286	-	-	286	286	100	286	286	100	200
Mun: Mossel Bay	104	-	-	104	104	100	104	104	100	125
Mun: Oudtshoorn	104	-	-	104	104	100	104	104	100	75
Mun: Overstrand	78	-	-	78	78	100	78	78	100	100
Mun: Prince Albert	104	-	-	104	104	100	104	104	100	100
Mun: Saldanha Bay	78	-	-	78	78	100	78	78	100	75
Mun: Stellenbosch	78	-	-	78	78	100	78	78	100	125
Mun: Swartland	26	-	-	26	26	100	26	26	100	74
Mun: Swellendam	104	-	-	104	-	-	-	-	-	100
Mun: Theewaterkloof	182	-	-	182	156	100	156	156	100	175
Mun: Witzenberg	208	-	-	208	208	100	208	208	100	225



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES (continued)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2010/11
	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	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Provincial management support grant:										
Central Karoo district municipality	-	-	-	-	-	-	-	-	-	1 000
West Coast district municipality	-	-	-	-	-	-	-	-	-	1 000
Mun: Beaufort-West	-	-	-	-	-	-	-	-	-	100
Mun: Laingsburg	-	-	-	-	-	-	-	-	-	500
Masterplanning (Mun. Infrastructure):										
Eden district municipality	-	-	-	-	-	-	-	-	-	300
Mun: Cederberg	-	-	-	-	-	-	-	-	-	200
Aerial Fire-fighting assistance:										
Mun: City Cape Town	-	-	-	-	-	-	-	-	-	335
Cape Winelands district municipality	-	-	-	-	-	-	-	-	-	333
Central Karoo district municipality	-	-	-	-	-	-	-	-	-	333
Eden district municipality	-	-	-	-	-	-	-	-	-	333
Overberg district municipality	-	-	-	-	-	-	-	-	-	333
West Coast district municipality	-	-	-	-	-	-	-	-	-	333
Total	6 042	-	-	6 042	5 886	-	5 886	5 886	-	14 686

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER		2010/11
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NSRI (National Sea Rescue Institute)	315	-	-	315	315	100	300
SALGA	1 050	0	0	1 050	1 050	100	-
Total	1 365	-	-	1 365	1 365		300

SALGA:
Transfer in respect of training and an annual conference.

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1C
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTION	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
NGO's: Thusong centre management	1 520	-	(170)	1 350	1 350	100	1 440
Lifesaving SA	315	-	-	315	315	100	300
Total	1 835	-	(170)	1 665	1 665		1 740

NGO's - Thusong Centre management: Transfers to various municipalities.

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave gratuities	96	-	(28)	68	68	100	99
Total	96	-	(26)	68	68		99

ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
	R'000	R'000
Made in kind		
Sympathy flowers & fruit baskets	-	2
Total	-	2



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Department of Local Government & GPSSBC : JC De Jongh	100	-	100	-	-
Sub-total	100	-	100	-	-
Other					
P.T. Booij, X Nyanga v. MEC for Local Government, Environmental Affairs & Development Planning & The Speaker City of Cape Town.	50	-	50	-	-
BG Mini , B Mafilika v. MEC for Local Government, Environmental Affairs Development Planning & The Speaker City of Cape Town	50	-	50	-	100
B. Jacobs/Minister of Local Government	-	33	-	-	33
Sub-total	100	33	100	-	33
Total	200	33	200	-	33

Other:

The first two cases were closed as the State Attorney concluded that to pursue the matter further would lead to unnecessary attendant costs which would result in fruitless and wasteful expenditure.

ANNEXURE 3
CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
EC Provincial Government: Human Settlements	9	58	-	18	9	76
Total	9	58	-	18	9	76

WESTERN CAPE PROVINCE
DEPARTMENT OF LOCAL GOVERNMENT, VOTE 14

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 4
INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Justice & Constitutional Development	-	-	-	20	-	20
WC: Department of Transport & Public Works	-	-	-	12	-	12
WC: Department of the Premier	-	68	-	-	-	68
WC: Department of Human Settlements	-	3 192	-	18	-	3 210
WC: Provincial Treasury	24	-	-	-	24	-
WC: Environmental Affairs and Development Planning	-	-	221	-	221	-
WC: Education Department	25	-	-	-	25	-
Government Motor Transport	-	-	13	-	13	-
Total	49	3 260	234	50	283	3 310

ANNEXURE 5
INVENTORY

	2011/2012		2010/11	
	Quantity	R'000	Quantity	R'000
Inventory				
Add: Additions/Purchases - Cash	-	-	-	383
(Less): Issues	-	-	-	(383)

The additions/ purchases- cash for 2011/12 has been accounted for in Note 4.5





Part 4: Human Resource Management

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 and service standards provided in terms of the Service Delivery Plan, 1 April 2011 to 31 March 2012

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
Planning and Implementation of Thusong Mobiles	Communities and Public living in priority areas.	Other Government departments making use of Thusong Mobiles as platform to consult with their clients.	a) Planning and implementation of 24 Thusong Mobiles.	a) 24 Thusong Mobiles were planned and implemented.
To monitor and support municipalities to comply with Municipal Property Rates Act (MPRA)	Support 30 municipalities with MPRA implementation.	None.	a) Support 30 Municipalities with MPRA implementation.	a) 25 municipalities were supported with MPRA implementation. The MPRA no longer applies to the Districts.

Table 4.1.2: Consultation arrangements with service beneficiaries, 1 April 2011 to 31 March 2012

Type of arrangement	Actual achievements	Comments (possible deviation)
Planning and Implementation of Thusong Mobiles a) Consultation/planning meetings with departments and communities. b) Written correspondence. c) Communication.	a) Consultation/planning meetings with departments and communities. b) Written correspondence. c) Communication.	None.
To monitor and support municipalities to comply with Municipal Property Rates Act (MPRA) a) Municipal visits. b) Telephonic discussions. c) Electronic e-mail services.	a) Municipal visits conducted. b) Telephonic discussions were held. c) Electronic e-mail services were used.	None.

Table 4.1.3: Service delivery access strategy, 1 April 2011 to 31 March 2012

Access Strategy	Actual achievements
Planning and Implementation of Thusong Mobiles a) 5th Floor. ISM Building, 27 Wale Street, Cape Town b) Thusong centres c) Government facilities in the communities d) Thusong Mobiles venues	a) 5th Floor. ISM Building, 27 Wale Street, Cape Town b-d) Thusong Mobiles were held in different communities i.e. Thusong centres, Government facilities in the communities and Thusong Mobile venues.
To monitor and support municipalities to comply with Municipal Property Rates Act (MPRA) a) At municipalities	a) Support was given to the 25 municipalities where they are located.

Table 4.1.4: Service information tool, 1 April 2011 to 31 March 2012

Types of information tool	Actual achievements
Planning and Implementation of Thusong Mobiles a) Pamphlets b) Posters c) Loud hailing d) Announcements regarding services e) E-mails/telephone	The following methods were used: a) Pamphlets b) Posters c) Loud hailing d) Announcements regarding services e) E-mails/telephone
To monitor and support municipalities to comply with Municipal Property Rates Act (MPRA) a) E-mail b) Facsimile c) Letters d) Reports e) Submissions f) Telephonic discussions g) Municipal visits	The following methods were used: a) E-mail b) Facsimile c) Letters d) Reports e) Submissions f) Telephonic discussions g) Municipal visits



Part 4: Human Resource Management

Table 4.1.5: Redress mechanism, 1 April 2011 to 31 March 2012

Redress Mechanism	Actual achievements
Planning and Implementation of Thusong Mobiles a) Thusong Mobile review meeting. b) Written and verbal communication to the Project Manager.	a) Thusong Mobile review meetings. b) Written and verbal communication to the Project Manager.
To monitor and support municipalities to comply with Municipal Property Rates Act (MPRA) a) Written and verbal communication to supervisors. b) Meetings.	a) Written and verbal communication to supervisors. b) Meetings.

4.2. Expenditure

Department's 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 expenditure in terms of each of the programmes or salary bands within the Department.

Table 4.2.1: Personnel expenditure by programme, 2011/12

Programme	Total Expenditure	Personnel Expenditure	Training Expenditure	Goods & Services	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee	Number of Employees
	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)	
Administration	16 480	7 134	190	6 000	43.3	188	37
Local Governance	89 775	64 762	148	16 411	72.1	214	303
Development and Planning	23 742	12 382	43	9 975	52.2	326	38
Total	129 997	84 278	381	32 386	64.8	222	378

Table 4.2.2: Personnel expenditure by salary band, 2011/12

Salary bands	Personnel Expenditure	% of total personnel expenditure	Average personnel expenditure per employee	Number of Employees
	(R'000)	%	(R'000)	
Lower skilled (Levels 1-2)	205	0.2	29	7
Skilled (Levels 3-5)	2 186	2.5	81	27
Highly skilled production (Levels 6-8)	41 532	48	180	231
Highly skilled supervision (Levels 9-12)	31 271	36.1	316	99
Senior management (Levels 13-15)	11 406	13.2	815	14
Total	*86 600	100	229	**378

Note: *The figures in table 4.2.1 are as per the Basic Accounting System and table 4.2.2 are as per the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. Accordingly, there may be a difference in total expenditure reflected on these systems.

** This figure refers to all individuals remunerated during the reporting period, excluding the Minister.



Part 4: Human Resource Management

The following tables provide a summary per programme (Table 4.2.3) and salary band (Table 4.2.4), of expenditure incurred as a result of salaries, overtime, housing 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, Housing Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Administration	4 704	5.4	27	0.03	166	0.2	286	0.3
Local Governance	44 606	51.5	628	0.7	1 945	2.2	4 236	4.9
Housing Development	8 474	9.8	6	0.007	265	0.3	481	0.6
Total	57 784	66.7	661	0.8	2 376	2.7	5 003	5.8

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in **table 4.2.2**.

Table 4.2.4: Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2011/12

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel expenditure	Amount	Overtime as a % of personnel expenditure	Amount	Housing Allowance as a % of personnel expenditure	Amount	Medical Assistance as a % of personnel expenditure
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Lower skilled (Levels 1-2)	59	0.1	-	-	9	0.01	18	0.02
Skilled (Levels 3-5)	1 074	1.2	8	0.009	53	0.1	101	0.1
Highly skilled production (Levels 6-8)	28 657	33.1	518	0.6	1 608	1.9	3 653	4.2
Highly skilled supervision (Levels 9-12)	21 759	25.1	135	0.2	455	0.5	1 043	1.2
Senior management (Levels 13-15)	6 235	7.2	-	-	251	0.3	188	0.2
Total	57 784	66.7	661	0.8	2 376	2.7	5 003	5.8

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in **table 4.2.2**.



Part 4: Human Resource Management

4.3. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the percentage posts vacant, 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.

Table 4.3.1: Employment and vacancies by programme, as at 31 March 2012

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Administration	45	22	51.1	12	26.7
Local Governance	286	262	8.4	2	0.7
Development and Planning	54	41	24.1	6	11.1
Total	385	325	15.6	20	5.2

Note: Although the Department has a vacancy rate of 15.6%, it should be noted that 5.2% of these posts are being used for staff appointed on short- and medium term contracts, and special projects, additional to the approved establishment. This results into 10.4% of the posts being vacant.

Employment & Vacancies

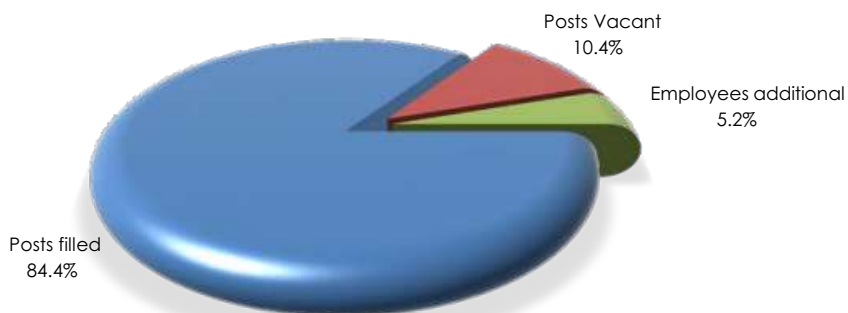


Table 4.3.2: Employment and vacancies by salary bands, as at 31 March 2012

Salary Bands	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Lower skilled (Levels 1-2)	1	1	-	-	-
Skilled (Levels 3-5)	14	9	35.7	15	107.1
Highly skilled production (Levels 6-8)	234	214	8.5	2	0.9
Highly skilled supervision (Levels 9-12)	119	87	26.9	3	2.5
Senior management (Levels 13-15)	17	14	17.6	-	-
Total	385	325	15.6	20	5.2

Note: The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns for the year under review, please refer to **section 4.5** of this report.

Table 4.3.3: Employment and vacancies by critical occupation, as at 31 March 2012

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Engineering Technician	1	1	-	-	-
Construction Project Manager	6	3	50	-	-
Engineer	4	1	75	-	-
Total	11	5	54.5	-	-



Part 4: Human Resource Management

4.4. Job Evaluation

The Public Service Regulations, 2001 as amended, 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 9 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 posts 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 2011 to 31 March 2012

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1-2)	1	-	-	-	-	-	-
Skilled (Levels 3-5)	13	1	0.3	-	-	-	-
Highly skilled production (Levels 6-8)	234	2	0.5	-	-	-	-
Highly skilled supervision (Levels 9-12)	120	6	1.6	-	-	-	-
Senior Management Service B and A (Level 13)	13	-	-	-	-	-	-
Senior Management Service B and B (Level 14)	3	-	-	-	-	-	-
Senior Management Service B and C (Level 15)	1	-	-	-	-	-	-
Total	385	9	2.3	None			

Note: Existing Public Service policy requires of departments to subject specifically identified posts (excluding Educator and OSD posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly (i.e. affected posts). This job evaluation process determines the grading and salary level of a post.

The evaluated posts in **table 4.4.1** therefore only represent newly created and affected posts where job evaluation results were approved by the executing authority during the current reporting period. The majority of posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

Table 4.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

Beneficiaries	African	Indian	Coulored	White	Total
Female	2	-	4	1	7
Male	-	-	-	-	-
Total	2	-	4	1	7
Employees with a disability					1

Note: The seven employees, whose salary positions were upgraded, formed part of a provincial co-ordinating process finalised in the previous financial year, but implemented during the current reporting period 2011/12. In terms of this process all Personal Assistants had to complete a compulsory provincial training programme before the upgrades could be effected.

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation (including higher notches awarded). 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 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Deputy Director	3	11	12	-	Attraction
Total Number of Employees whose salaries exceeded the level determined by job evaluation (including awarding of higher notches) in 2011/2012					3
Percentage of total employment					0.9

Table 4.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Indian	Coulored	White	Total
Female	-	-	2	-	2
Male	-	-	-	1	1
Total	-	-	2	1	3
Employees with a disability					-



Part 4: Human Resource Management

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, 1 April 2011 to 31 March 2012

Salary Bands	Number of employees per band as at 31 March 2011	Turnover rate 2010/11 %	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2011/12 %
Lower skilled (Levels 1-2)	1	-	-	-	-	-	-
Skilled (Levels 3-5)	12	16.7	16	2	-	-	-
Highly skilled production (Levels 6-8)	209	6.2	7	4	8	2	4.8
Highly skilled supervision (Levels 9-12)	72	18	17	5	5	2	9.7
Senior Management Service Band A (Level 13)	9	25	2	-	-	-	-
Senior Management Service Band B (Level 14)	2	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	1	-	-	-	-	-	-
Total	306	9.7	42	11	13	4	5.6
			53		17		

Note: A transfer is when a Public Service Official moves from one department to another, on the same salary level.

For an indication of the various termination categories for the 17 staff members who have left the employ of the Department, please refer to **table 4.5.3** of this report.

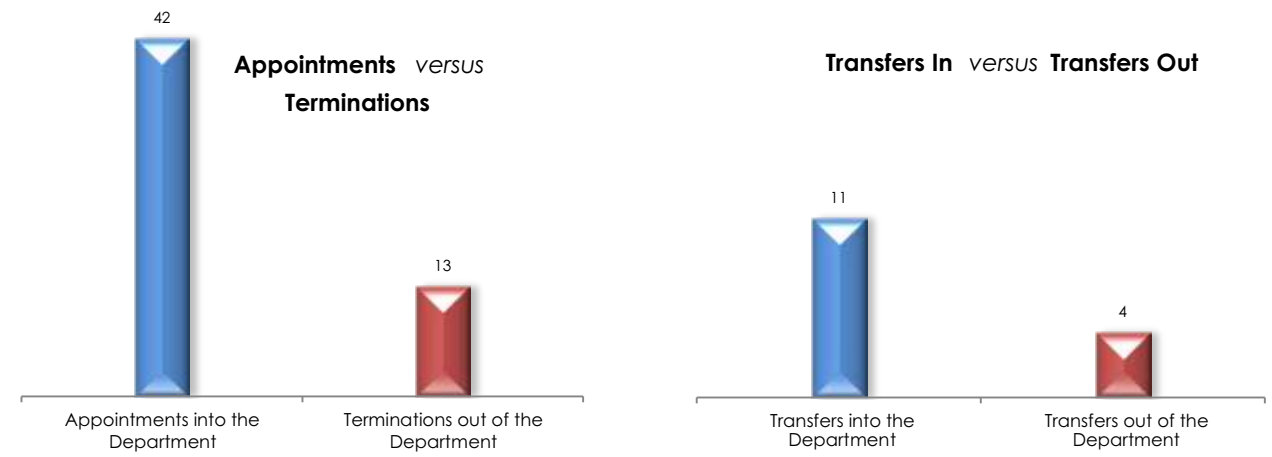


Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupation	Number of employees per critical occupation as at 31 March 2011	Turnover rate 2010/11	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2011/12
Engineering Technician	1	-	-	-	-	-	-
Construction Project Manager	4	-	-	-	-	1	25
Engineer	1	-	-	-	-	-	-
Total	6	-	-	-	-	1	16.7



Part 4: Human Resource Management

Table 4.5.3: Staff exiting the employ of the Department, 1 April 2011 to 31 March 2012

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2011
Death	3	17.6	1
Resignation *	5	29.4	1.6
Expiry of contract	2	11.8	0.7
Dismissal – operational changes	-	-	-
Dismissal – misconduct	1	5.9	0.3
Dismissal – inefficiency	-	-	-
Discharged due to ill-health	-	-	-
Retirement	2	11.8	0.7
Employee initiated severance package	-	-	-
Transfers to other Public Service Departments	4	23.5	1.3
Total	17	100	5.6

Note: Table 4.5.3 identifies the various termination categories for those staff members who have left the employ of the Department.

* Resignations are further discussed in tables 4.5.4 and 4.5.5.



Table 4.5.4: Reasons why staff resigned, 1 April 2011 to 31 March 2012

Resignation Reasons	Number	% of total resignations
Better remuneration	2	40
Other occupation	3	60
Total	5	100

Table 4.5.5: Different age groups of staff who resigned, 1 April 2011 to 31 March 2012

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	-	-
Ages 30 to 34	-	-
Ages 35 to 39	4	80
Ages 40 to 44	1	20
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	5	100

Table 4.5.6: Granting of employee initiated severance packages by salary band, 1 April 2011 to 31 March 2012

Total Number of employee initiated severance packages in 2011/ 2012	None
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Part 4: Human Resource Management

Table 4.5.7: Promotions by salary band, 1 April 2011 to 31 March 2012

Salary Band	Employees as at 31 March 2011	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	1	-	-	-	-
Skilled (Levels 3-5)	12	-	-	6	50
Highly skilled production (Levels 6-8)	209	5	2.4	184	88
Highly skilled supervision (Levels 9-12)	72	4	5.6	54	75
Senior management (Levels 13-15)	12	-	-	6	50
Total	306	9	2.9	250	81.7

Table 4.5.8: Promotions by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupations	Employees as at 31 March 2011	Promotions to another 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
Engineering Technician	1	-	-	1	100
Construction Project Manager	4	-	-	2	50
Engineer	1	-	-	1	100
Total	6	-	-	4	66.7

4.6. Employment Equity

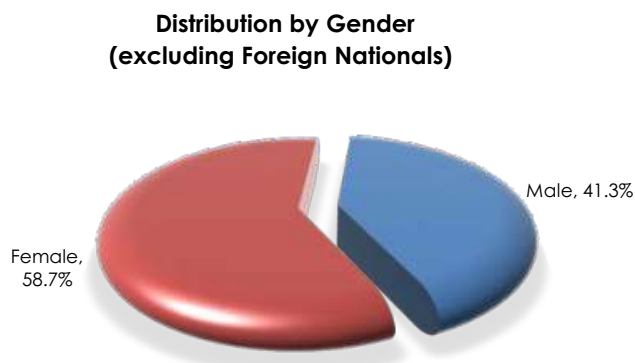
The following table provides a summary of the total workforce profile per occupational levels. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1: Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	1	-	1	-	-	-	1	-	-	3
Senior management (Level 13)	1	3	-	3	1	1	1	1	-	-	11
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	6	11	2	4	3	7	-	6	-	-	39
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	12	16	1	5	12	22	1	4	1	-	74
Semi-skilled and discretionary decision making (Levels 4-7)	28	46	1	-	60	79	-	3	-	-	217
Unskilled and defined decision making (Levels 1-3)	-	1	-	-	-	-	-	-	-	-	1
Total	47	78	4	13	76	109	2	15	1	-	345
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	47	78	4	13	76	109	2	15	1	-	345

Note: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of 3 months or less.

The figures reflecting foreign nationals exclude non-citizens with permanent residency in the Republic of South Africa.



The current economic active demographic target for the Western Cape is; African - 29.7, Coloured - 51.2, Indian - 0.9 and White - 18.2



Part 4: Human Resource Management

Table 4.6.2: Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	-	-	1	-	-	1	-	-	-	-	2
Semi-skilled and discretionary decision making (Levels 4-7)	2	6	-	-	4	1	-	-	-	-	13
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	2	6	1	-	4	2	-	-	-	-	15
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	6	1	-	4	-	-	-	-	-	15

Note: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of 3 months or less.

The 15 disabled employees reflected in the above table represent 4.4% of the Department's total staff establishment.

Table 4.6.3: Recruitment, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	1	-	-	-	-	1	-	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	2	1	2	-	1	-	1	-	-	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	2	-	-	-	-	8	-	3	2	-	15
Semi-skilled and discretionary decision making (Levels 4-7)	-	4	-	-	4	10	-	-	-	-	18
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	2	7	1	2	4	19	1	4	2	-	42
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	7	1	2	4	19	1	4	2	-	42

Note: Recruitment refers to new employees, excluding transfers into the Department, mentioned in **table 4.5.1**. The figures reflecting foreign nationals exclude non-citizens with permanent residency in the Republic of South Africa.



Part 4: Human Resource Management

Table 4.6.4: Promotions, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	-	-	-	-	1	-	1	-	-	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	2	-	-	-	1	1	-	-	-	-	4
Semi-skilled and discretionary decision making (Levels 4-7)	-	1	-	-	1	1	-	-	-	-	3
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	2	1	-	-	2	3	-	1	-	-	9
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	1	-	-	2	3	-	1	-	-	9

Note: Promotions refer to the total number of employees promoted within the Department, mentioned in table 4.5.7.

Table 4.6.5: Terminations, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14-15)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	1	-	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	-	1	-	2	-	1	-	1	-	-	5
Semi-skilled and discretionary decision making (Levels 4-7)	1	2	-	-	2	2	-	-	-	-	7
Unskilled and defined decision making (Levels 1-3)	-	-	-	-	-	-	-	-	-	-	-
Total	1	4	-	2	2	3	-	1	-	-	13
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1	4	-	2	2	3	-	1	-	-	13

Note: Terminations refer to those employees who left the employ of the Department, excluding transfers to other departments, mentioned in **table 4.5.1**.

Table 4.6.6: Disciplinary actions, 1 April 2011 to 31 March 2012

Disciplinary Actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Total	1	1	-	-	1	-	-	1	-	-	4

Note: The disciplinary actions total refers to formal outcomes only. For further information on the outcomes of the disciplinary hearings and types of misconduct addressed at disciplinary hearings, please refer to **tables 4.13.2** and **4.13.3**.



Part 4: Human Resource Management

Table 4.6.7: Skills development, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 14-15)	-	1	-	-	-	-	-	1	2
Senior management (Level 13)	1	-	-	-	-	1	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 11-12)	-	2	1	1	-	1	-	2	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8-10)	1	9	-	-	2	6	-	-	18
Semi-skilled and discretionary decision making (Levels 4-7)	1	8	1	-	9	22	-	2	43
Unskilled and defined decision making (Levels 1-3)	-	1	-	-	-	2	1	-	4
Total	3	21	2	1	11	32	1	5	76
Temporary employees	-	-	-	-	-	-	-	-	-
Grand Total	3	21	2	1	1	32	1	5	76

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to **table 4.14.2**.

4.7. Signing of Performance Agreements by SMS Members

Table 4.7.1: Signing of Performance Agreements by SMS Members, as at 31 May 2011

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
Head of Department	1	1	1	100
Salary Level 14	3	2	2	100
Salary Level 13	13	9	9	100
Total	17	12	12	100

Note: The allocation of performance related rewards (cash bonus) for Senior Management Service is dealt with later in the report. Please refer to **table 4.9.3**.

Table 4.7.2: Reasons for not having concluded Performance Agreements with all SMS on 31 May 2011

Reasons for not concluding Performance Agreements with all SMS
All SMS Performance Agreements were signed by 31 May 2011.

Table 4.7.3: Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2011

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
No disciplinary steps required, as all SMS Performance Agreements were signed by 31 May 2011.



Part 4: Human Resource Management

4.8. Filling Of SMS Posts

Table 4.8.1: SMS posts information, as at 30 September 2011

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
Head of Department	1	1	100	-	-
Salary Level 14	3	2	66.7	1	33.3
Salary Level 13	13	10	76.9	3	23.1
Total	17	13	76.5	4	23.5

Table 4.8.2: SMS posts information, as at 31 March 2012

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
Head of Department	1	1	100	-	-
Salary Level 14	3	2	66.7	1	33.3
Salary Level 13	13	11	84.6	2	15.4
Total	17	14	82.4	3	17.7

Table 4.8.3: Advertising and Filling of SMS posts, as at 31 March 2012

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
Head of Department	-	-	-
Salary Level 14	-	-	-
Salary Level 13	2	-	2
Total	2	-	2

Note: Of the two SMS posts advertised and filled within 12 months, one post was advertised in the previous reporting period 2010/11, but filled during the period under review 2011/12. The remaining three posts not yet filled are discussed further in table 4.8.4.

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

SMS Level	Reasons for non-compliance
Head of Department	-
Salary Level 14	<p>Integrated Service Delivery</p> <p>The post became vacant during the previous reporting period and was advertised within six months of becoming vacant. The post was placed on hold after structural changes were effected within the Chief Directorate. The Department embarked on a re-advertising process and is currently in the process of finalising the shortlist. The Department is confident that a successful appointment will be made to the post within the 2012/13 reporting period.</p>
Salary Level 13	<p>Policy and Strategy Support</p> <p>The post became vacant during the previous reporting period and was advertised within six months of becoming vacant. The post was placed on hold after structural changes were effected within the Chief Directorate. The Department embarked on a re-advertising process and the shortlist has been finalised. The Department is confident that a successful appointment will be made to the post within the 2012/13 reporting period.</p> <p>District and Local Performance Monitoring</p> <p>The post became vacant at the end of the previous reporting period and was advertised within six months of becoming vacant. The interview process was finalised and a suitable nomination was made. However, the successful candidate declined the offer and it was decided to follow a re-advertising process. The Department envisages filling the post within the 2012/13 reporting period.</p>

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

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months
No disciplinary steps were taken as all vacant SMS posts were advertised within the prescribed timeframes.



Part 4: Human Resource Management

4.9. Performance Rewards

To encourage good performance, the department has granted the following performance rewards allocated to personnel for the performance period 2010/11, but paid in the financial year 2011/12. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (table 4.9.2) and critical occupations (table 4.9.3).

Table 4.9.1: Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

Race and Gender	Advertising			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within group	Cost (R'000)	Average cost per beneficiary
African	29	108	26.9	231	R 7 961.08
Male	10	42	23.8	83	R 8 317.07
Female	19	66	23.8	148	R 7 773.72
Coloured	61	154	39.6	475	R 7 787.27
Male	24	68	35.3	204	R 8 519.17
Female	37	86	43	271	R 7 312.53
Indian	-	2	-	-	-
Male	-	2	-	-	-
Female	-	-	-	-	-
White	9	26	34.6	134	R 14 876.02
Male	3	13	23.1	62	R 20 541.30
Female	6	13	46.2	72	R 12 043.38
Employees with a disability	2	16	12.5	12	R 5 850.00
Total	101	306	33	851	R 8 430.48

Note: Special awards in terms of article 37(2)(C) is not included in the above figures. The table relates to performance rewards for the performance year 2010/11 and payments effected in the 2011/12 reporting period.

Distribution of beneficiaries who received performance rewards

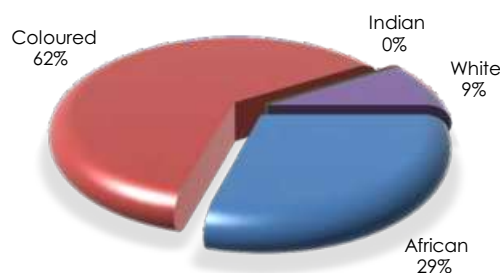


Table 4.9.2: Performance Rewards by salary band for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	-	1	-	-	-	-
Skilled (Levels 3-5)	3	12	25	17	R 5 623.70	-
Highly skilled production (Levels 6-8)	76	209	36.4	487	R 6 408.90	0.6
Highly skilled supervision (Levels 9-12)	20	72	27.8	273	R 13 685.37	0.4
Total	99	294	33.7	777	R 7 855.10	1

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12, reflected in table 4.2.2.

Table 4.9.3: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 01 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	2	9	22.2	74	R 36 912.00	10.6
Senior Management Service Band B (Level 14)	-	2	-	-	-	-
Senior Management Service Band C (Level 15)	-	1	-	-	-	-
Total	2	12	16.7	74	R 36 912.00	0.6

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 13-16, reflected in table 4.2.2.



Part 4: Human Resource Management

Table 4.9.4: Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2011	% of total within salary bands	Cost (R'000)	Average cost per beneficiary	Cost as a % of the total personnel expenditure
Engineer	1	1	100	22	R 21 816.27	0.02
Engineering Technician	1	1	100	14	R 13 813.20	0.01
Construction Project Manager	-	4	-	-	-	-
Total	2	6	33.3	36	R 17 814.74	0.04

Note: The total cost as a percentage is calculated on the total personnel expenditure for salary levels 1-12, reflected in **table 4.2.2**.

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 by salary band, 1 April 2011 to 31 March 2012

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% change	Number	% change	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	1	100	1	100
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-15)	-	-	-	-	-	-
Total	-	-	1	100	1	100

Note: The figures above exclude non-citizens with permanent residency in the Republic of South Africa.

Table 4.10.2: Foreign Workers by major occupation, 1 April 2011 to 31 March 2012

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% change	Number	% change	Number	% change
Clerk	-	-	1	100	1	100
Total	-	-	1	100	1	100

Note: The figures above exclude non-citizens with permanent residency in the Republic of South Africa.



Part 4: Human Resource Management

4.11. Leave Utilisation for the period 1 January 2011 to 31 December 2011

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 4.11.1: Sick leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	1	-	-	-
Skilled (Levels 3-5)	41	75.6	7	22	31.8	6	16
Highly skilled production (Levels 6-8)	1 273	88.9	169	229	73.8	8	658
Highly skilled supervision (Levels 9-12)	542	79.2	66	99	66.7	8	596
Senior management (Levels 13-15)	49	79.6	10	14	71.4	5	128
Total	1 905	85.6	252	365	69	8	1 398

Note: : The three year sick leave cycle started in 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to **table 4.11.2**.

Table 4.11.2: Incapacity leave, 1 January 2011 to 31 December 2011

Salary Bands	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	1	-	-	-
Skilled (Levels 3-5)	-	-	-	22	-	-	-
Highly skilled production (Levels 6-8)	35	100	4	229	1.7	9	20
Highly skilled supervision (Levels 9-12)	-	-	-	99	-	-	-
Senior management (Levels 13-15)	-	-	-	14	-	-	-
Total	35	100	4	365	1.1	9	20

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his/her normal sick leave, the Employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the Employer's discretion, as provided for in the Leave Determination and PILIR. Furthermore, the four employees who used incapacity leave is currently still in service.

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 2011 to 31 December 2011

Salary Bands	Total days taken	Total number employees using annual leave	Total number employees using annual leave
Lower skilled (Levels 1-2)	10	1	10
Skilled (Levels 3-5)	184	12	15
Highly skilled production (Levels 6-8)	4 322	220	20
Highly skilled supervision (Levels 9-12)	1 595	82	19
Senior management (Levels 13-15)	267	13	21
Total	6 378	328	19



Part 4: Human Resource Management

Table 4.11.4: Capped leave, 1 January 2011 to 31 December 2011

Salary Bands	Total capped leave available as at 31 Dec 2010	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2011	Total capped leave available as at 31 Dec 2011
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	4	1	1	1	1	4
Highly skilled production (Levels 6-8)	121	8	1	8	6	117
Highly skilled supervision (Levels 9-12)	750	13	3	4	19	765
Senior management (Levels 13-15)	290	-	-	-	5	290
Total	1 166	22	5	13	31	1 177

Note: It is possible for the total number of capped leave days to increase as employees who were transferred into the department retain their capped leave credits, which form part of the Departmental total.

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

Table 4.11.5: Leave pay-outs, 1 April 2011 to 31 March 2012

Reason	Total Amount (R'000)	Average payment per incident	Number of incidents
Leave pay-outs for 2011/12 due to non-utilisation of leave for the previous cycle	13	R 13 339.07	1
Capped leave pay-outs on termination of service for 2011/12	19	R 18 994.72	1
Current leave pay-outs on termination of service 2011/12	58	R 14 588.90	4
Total	90	R 15 114.90	6
Total number of employees who received leave pay-outs			6

Note: Of the four individuals who received current leave pay-outs as a result of their termination of service, two employees exited the Department during the previous financial year 2010/11, but payments were effected in the current reporting period 2011/12.

4.12. HIV and AIDS & Health Promotion Programmes

Table 4.12.1: Steps taken to reduce the risk of occupational exposure, 1 April 2011 to 31 March 2012

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV and AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV and AIDS Counselling and Testing [HCT], screenings and awareness campaigns were delivered in general. The outsourced Health and Wellness contract (Employee Assistance Programme [EAP]) provides employees, their children, partners, spouses or other household members with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling • Face to face counselling (6 + 2 session model) • Trauma and critical incident counselling • Training and targeted interventions where these were required.

Table 4.12.2: Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information), 1 April 2011 to 31 March 2012

Question	Yes	No	Details, if yes
<p>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.</p>	✓		<p>Due to the corporatisation of the Employee Health and Wellness function, the Director: Organisational Behaviour, Pieter Kemp (Department of the Premier), fulfilled this role.</p>
<p>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.</p>	✓		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to 11 participating departments, including the Department of Local Government.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the 11 departments.</p> <p>The unit consists of a Deputy Director, three Assistant Directors, three team members and one intern.</p> <p>Budget : R3,5m</p>



Part 4: Human Resource Management

Question	Yes	No	Details, if yes
<p>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.</p>	✓		<p>The Department conducted interventions namely, Understanding and Managing Stress, Understanding and Managing Life Transitions and Manager Wellness Referral Coaching for all employees. These interventions were planned based on the trends reported quarterly through the Employee Assistance Programme (EAP) reports provided by the service provider, ICAS, for the period 2011/12. The reports were based on the utilisation of the EAP services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for all employees, including managers and supervisors.</p> <p>The Department also provided information sessions, as requested by various departments in the Provincial Government of the Western Cape (PGWC) to inform employees of the Employee Health and Wellness (EHW) service, how to access the EAP. Promotional material such as pamphlets, posters and brochures were distributed.</p>
<p>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>	✓		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Committee members are:</p> <ul style="list-style-type: none"> Agriculture: M Ferreira and H Jordaan (DJ) Community Safety: A Brink; Simon Sekwadi & C Coetzee Cultural Affairs: S Julie Economic Development & Tourism: C Julies & P Martin Environmental Affairs & Development Planning: M Kroese & P Visser Health: S Newman & N van der Walt Human Settlements: J Roberts & S Moolman Local Government: F Matthee & W Bingham Premier: P Kemp & Z Norushe Provincial Treasury: B Damons Social Development: T Mtheku Transport & Public Works: C Marx & K Love Western Cape Education: R Oosthuizen & C Pierce

Question	Yes	No	Details, if yes
<p>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.</p>	✓		<p>The Transversal Management Framework for Employee Assistance Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA developed several national policy documents in 2007/8 that govern EHW in the Public Service and that coordinate the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier developed a Transversal Employee Health and Wellness policy. The draft document is being consulted.</p> <p>Further to this, the Department of Health is currently reviewing the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments. The document is in the last stages of consultation to ensure alignment of all four pillars of the EHW Strategic Framework of 2008.</p>
<p>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.</p>	✓		<p>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV and AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> • Zero new HIV, STI and TB infections; • Zero deaths associated with HIV and TB; and • Zero discrimination. <p>The Department has embarked on the HIV and AIDS counselling and Testing [HCT] campaign to intensify DPSA 'Know Your Epidemic and Know Your Response' campaign throughout the Western Cape.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This includes campaigns against unfair discrimination and empowerment of employees; and • Reduce unfair discrimination in access to services. This includes ensuring that the Employee Relations Directorate addresses complaints or grievances and provides training to employees. <p>Other key elements that addressed anti HIV and AIDS discrimination issues were: Awareness Raising Programmes that were conducted, posters and pamphlets were distributed, HCT campaigns, condom distribution, and spot talks (speak out session by HIV and AIDS positive representatives).</p>



Part 4: Human Resource Management

Question	Yes	No	Details, if yes
<p>7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.</p>	✓		<p>HCT SESSIONS</p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, Eye test, BMI (body mass index) and spot talks.</p> <ul style="list-style-type: none"> • The Departments of Human Settlements together with Local Government participated in 12 screening sessions. • 139 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).
<p>8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.</p>	✓		<p>The impact of health promotion programmes is indicated through information provided via the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2011 – 31 March 2012. An Annual Health Report has been provided for six (ICAS) Departments and an overview of all the six Departments have been compiled in one presentation.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>

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 2011 to 31 March 2012

Total collective agreements	None
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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 2011 to 31 March 2012

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	1	16.7
Written warning	-	-
Final written warning	2	33.3
Suspension without pay	2	33.3
Fine	-	-
Demotion	-	-
Dismissal	1	16.7
Not guilty	-	-
Case withdrawn	-	-
Total	6	100
Percentage of total employment		1.6

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 4.13.3: Types of misconduct addressed at disciplinary hearings, 1 April 2011 to 31 March 2012

Type of misconduct	Number	% of total
Falsification of documents	1	25
Misuse of Government Vehicle	2	50
Unauthorised absenteeism	1	25
Total	6	100



Part 4: Human Resource Management

Table 4.13.4: Grievances lodged, 1 April 2011 to 31 March 2012

Grievances lodged	Number	% of total
Number of grievances resolved	3	50
Number of grievances not resolved	3	50
Total number of grievances lodged	6	100

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

Table 4.13.5: Disputes lodged with Councils, 1 April 2011 to 31 March 2012

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	1	100
Number of disputes dismissed	-	-
Total number of disputes lodged	1	100

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 4.13.6: Strike actions, 1 April 2011 to 31 March 2012

Strike actions	Number
Total number of person working days lost	7.8
Total cost (R'000) of working days lost	3
Amount (R'000) recovered as a result of no work no pay	-

Note: Strike actions include participation in organised marches. Accordingly absences could only reflect the number of hours of strike-related absences. The total cost for working days lost will be recovered during the 2012/13 reporting period.

Table 4.13.7: Precautionary suspensions, 1 April 2011 to 31 March 2012

Total number of Precautionary Suspensions	None
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Note: Precautionary suspensions refer to staff being suspended with pay while the case is being investigated.

4.14. Skills Development

This section highlights the efforts of the Department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

Table 4.14.1: Training needs identified, 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	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	4	-	4	-	4
	Male	8	-	4	-	4
Professionals	Female	104	-	93	-	93
	Male	67	-	57	-	57
Technicians and associate professionals	Female	42	-	34	-	34
	Male	43	-	28	-	28
Clerks	Female	19	-	13	-	13
	Male	1	-	1	-	1
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	3	-	3	-	3
	Male	5	-	5	-	5
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	-	-	-	-	-
Sub Total	Female	178	-	152	-	152
	Male	135	-	104	-	104
Total		313	-	256	-	256
Employees with disabilities	Female	6	-	5	-	5
	Male	10	-	9	-	9

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.



Part 4: Human Resource Management

Table 4.14.2: Training provided, 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	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	-	2	-	2
	Male	9	-	2	-	2
Professionals	Female	109	-	6	-	6
	Male	79	-	4	-	4
Technicians and associate professionals	Female	48	-	20	-	20
	Male	37	-	17	-	17
Clerks	Female	34	-	43	-	43
	Male	7	-	5	-	5
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	1	-	1	-	1
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Elementary occupations	Female	-	-	-	-	-
	Male	1	-	2	-	2
Sub Total	Female	202	-	71	-	71
	Male	143	-	31	-	31
Total		345	-	102	-	102
Employees with disabilities	Female	6	-	-	-	-
	Male	9	-	-	-	-

Note: : The above table identifies the number of training courses attended by individuals during the period under review.

A total of two Senior Managers are currently busy with the Executive Development Training Programme for SMS Members, not yet completed.

Additional to the above, the Department awarded a total of 13 new internal (part-time) bursaries for the 2012 academic year to employees to obtain a higher educational qualification and to support skills development initiatives in key fields where the department experiences a shortage of skills and/or expertise. Furthermore, 17 bursaries were awarded in previous financial years, where bursary holders have not yet completed their studies. Two bursary holders completed their studies and graduated during the 2011/12 reporting period.

4.15. Injury On Duty

The following tables provide basic information on injury on duty.

Table 4.15.1: Injury on duty, 1 April 2011 to 31 March 2012

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	1	100
Percentage of total employment		0.3



Part 4: Human Resource Management

4.16. Utilisation Of Consultants

Table 4.16.1: Report on consultant appointments using appropriated funds, 1 April 2011 to 31 March 2012

Project Title	Total number of consultants that worked on the project	Duration: Work days/ weeks/months	Contract value in Rand
Performance Management Implementation at Langeberg Municipality	1	9 months	R324 444.00
Performance Management Implementation at Stellenbosch Municipality	2	9 months	R368 077.50
Change Management Process at Saldanha Bay Municipality	2	7 months	R416 960.00
Accounting Officer Services Overberg District Municipality	0	6 months	R771 182.41
Organisational Design: Cape Winelands District Municipality	3	6 months	R312 800.00
Organisational Design: Drakenstein Municipality	6	7 months	R3 719 134.00
Organisational Design: Bitou Municipality	6	4 months	R1 919 500.00
Organisational Design: Prince Albert Municipality	6	4 months	R744 018.00
Recruitment & selection of section 57 & 56 Managers in Municipalities	0	42 days	R360 828.00
Process Evaluations for three municipalities (Cape Town, Drakenstein, Knysna)	0	12 months	R396 720.00
LVA assessments	0	4 months	R312 731.00
Ward Committee Induction training Central Karoo	4	6 days	R125 903.04
Post event analysis report 2009-2011 drought	7	4 months	R493 583.98
Appointment of Labour Law lawyer	1	6 months	R131 385.00
Other			R3 821 733.00
Total number of projects	Total individual consultants	Total duration: months	Total contract value in Rand
15	38	79.8	R14 219 000.00

Table 4.16.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

Report on consultant appointments					
Project Title	Name of service provider	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project	Contract value in Rand
Performance Management Implementation at Langeberg Municipality	Ignite Advisory Services	20%	20%	1	R324 444.00
Performance Management Implementation at Stellenbosch Municipality	Ignite Advisory Services	20%	20%	2	R368 077.50
Change Management Process at Saldanha Bay Municipality	People And Performance	50%	50%	2	R416 960.00
Accounting Officer Services Overberg District Municipality	Pricewaterhouse-coopers	24.39%	24.39%	0	R771 182.41
Organisational Design: Cape Winelands District Municipality	People And Performance	50%	50%	3	R312 800.00
Organisational Design: Drakenstein Municipality	Pricewaterhouse-coopers	24.39%	24.39%	6	R3 719 134.00
Organisational Design: Bitou Municipality	Pricewaterhouse-coopers	24.39%	24.39%	6	R1 919 500.00
Organisational Design: Prince Albert Municipality	Pricewaterhouse-coopers	24.39%	24.39%	6	R744 018.00
Recruitment & selection of section 57 & 56 Managers in Municipalities	ODS Consultants	0%	0%	0	R360 828.00
Process evaluations for three municipalities (Cape Town, Drakenstein, Knysna)	Evaluations Enhanced Property Appraisals	8%	8%	0	R396 720.00
LVA Assessment	Cebano Consultants	21.6%	21.6%	0	R312 731.00
Ward Committee Induction Training Central Karoo	Siyakhana	100%	100%	4	R125 903.04
Post event analysis report 2009-2011 drought	Stellenbosch University	0%	0%	4	R493 583.98
Appointment of Labour Law lawyer	Bradley Conradie Attorneys	100%	100%	1	R131 385.00



Part 4: Human Resource Management

Table 4.16.3: Report on consultant appointments using Donor funds, 1 April 2011 to 31 March 2012

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None.			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None.			

Table 4.16.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None.			





Part 5: Other Information

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**Western Cape
Government**

Local Government

PR NR 288/2012 – ISBN: 978-0-621-41324-3