

Annual Report 2005/2006



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA



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ANNUAL REPORT
2005/2006



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Mr FS Mufamadi
Minster for Provincial and Local Government

It is my pleasure to submit the Annual Report of the Department of Provincial and Local Government (**dplg**) for the financial year 1 April 2005 to 31 March 2006.

To the best of my knowledge, the contents of the report are consistent with the disclosure principles contained in the Guide for the preparation of Annual Reports issued by National Treasury. This report seeks to portray the **dplg**'s activities during the financial year under review and is based on sound underlying departmental information and management systems.

In presenting this report we acknowledge progress made during the 2005/2006 financial year as well as the challenges that lie ahead.

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

Ms Lindiwe Msengana-Ndlela
Director-General
31 August 2006

Acronyms and abbreviations

AC	Audit Committee	LGCS	Local Government Communication System
AFS	Annual Financial Statement	LGESF	Local Government Equitable Share Formula
AG	Auditor-General	LGSETA	Local Government Sector Education and Training Authority
Asgi-SA	Accelerated and Shared Growth Initiative of South Africa	LM	Local Municipalities
ALAC	Agricultural and Land Affairs Committee	LOGOLA	Local Government Leadership Academy
BEE	Black Economic Empowerment	MANCO	Management Committee
BT	Business Trust	MDB	Municipal Demarcation Board
CBP	Community Based Planning	MFMA	Municipal Finance Management Act
CDWs	Community Development Workers	MIG	Municipal Infrastructure Grant
COHTLA	Continental House of Traditional Leaders	MIP	Municipal Infrastructure Programme
COCHA	Committee of Chairpersons	MIIF	Municipal Infrastructure Investment Framework
CMTP	Consolidated Municipal Transformation Programme	MIIU	Municipal Infrastructure Investment Unit
CMIP	Consolidated Municipal Infrastructure Programme	MinMec	Minister and MECs
CSO	Civil Society Organisation	MIS	Management Information System
DME	Department of Minerals and Energy	MLDP	Municipal Leadership Development Programme
DBSA	Development Bank of Southern Africa	MPCCs	Multi-Purpose Community Centres
DoL	Department of Labour	MPRA	Municipal Property Rates Act
DORA	Division of Revenue Act	MSIG	Municipal Systems Improvement Grant
DMA	Disaster Management Act	MSP	Master Systems Plan or Municipal Support Programme
DMR	Disaster Management Regulations	MTMP	Municipal Transformation Monitoring Programme
dplg	Department of Provincial and Local Government	MTEC	Medium Term Expenditure Committee
DWAF	Department of Water Affairs and Forestry	MTEF	Medium Term Expenditure Framework
EAP	Environment Action Plan or Employee Assistance Programme	MOU's	Memorandum Of Understanding
EDI	Electricity Distribution Industry	NA	National Assembly
EDMS	Electronic Document Management Solution	NCOP	National Council of Provinces
ENE	Estimates of National Expenditure	NDMC	National Disaster Management Centre
EU	European Union	NDMAF	National Disaster Management Advisory Forum
Exco	Executive Committee	NDMF	National Disaster Management Framework
EWS	Early Warning System	NEPAD	New Partnership for Africa's Development
EWR	Early Warning Report	NHTL	National House of Traditional Leadership
EOC	Emergency Operational Committee	NPA	National Prosecution Authority
EPWP	Expanded Public Works Programme	NPI	National Productivity Institute
FBE	Free Basic Electricity	NQF	National Qualification Framework
FBS	Free Basic Services or Free Basic Sanitation	NSDP	National Spatial Development Perspective
FBW	Free Basic Water	PA	Performance Agreement
FBSI	Free Basic Service and Infrastructure	POA	Programme of Action
FDI	Fire Danger Index	PC	Project Consolidate
FFC	Financial and Fiscal Commission	PCC	President's Co-ordinating Council
FOSAD	Forum of South African Directors-General	PCAS	Policy Coordination and Advisory Services
G&A	Governance and Administration Cluster of the Forum of South African Directors-General	PGDS	Provincial Growth and Development Strategies
GAMAP	General Accepted Municipal Accounting Practice	PIMMS	Planning Implementation and Management Support
GIS	Geographic Information System	PLGAs	Provincial Local Government Associations
GCIS	Government Communication and Information System	PMDS	Performance Management and Development System
GDS	Growth and Development Summit	PMUs	Programme Management Units
GPR	Governance Policy and Research	PSUs	Provincial Support Units
GRAP	General Recognised Accounting Practice	QWL	Quality of Work Life
GTZ	German Agency for Technical Cooperation	RED	Regional Energy Distributor
HDI's	Historically Disadvantaged Individuals	RSC	Regional Services Council
HH	Households	SACC	South African Council of Churches
IAC	Internal Arrangement Committee	SACN	South African Cities Network
ICDM	Intergovernmental Committee on Disaster Management	SADC	Southern African Development Community
IDP	Integrated Development Planning	SALGA	South African Local Government Association
IDT	Independent Development Trust	SAQA	South African Qualification Authority
IDPNC	Integrated Development Planning Nerve Centre	SLAs	Service Level Agreements
IGPF	Intergovernmental Planning Framework	SMLDP	Senior Management Leadership Development Programme
IGR	Intergovernmental Relations	SUPPS	Support Unit for the Public Provision of Services
INK	Inanda Ntuzuma and KwaMashu	SDC	Social Development Committee
IKS	Indigenous Knowledge Systems	SDF	Service Delivery Facilitators
IRC	Information Resource Centre	SSC	Social Sector Cluster
ISRDP	Integrated Sustainable Rural Development Programme	TCC	Tradition, Customs and Culture
KPA	Key Performance Areas	TMT	Top Management Team
KSP	Knowledge Sharing Programme	UNISA	University of South Africa
LED	Local Economic Development	URD	Urban Renewal Development
LGAC	Local Government Anti-Corruption	URF	Urban Renewal Forum
LGA-CP	Local Government Anti-Corruption Programme	URP	Urban Renewal Programme
LGCBG	Local Government Capacity Building Grant	VCT	Voluntary Counselling and Testing
		Vuna	Municipal Performance Excellence Awards

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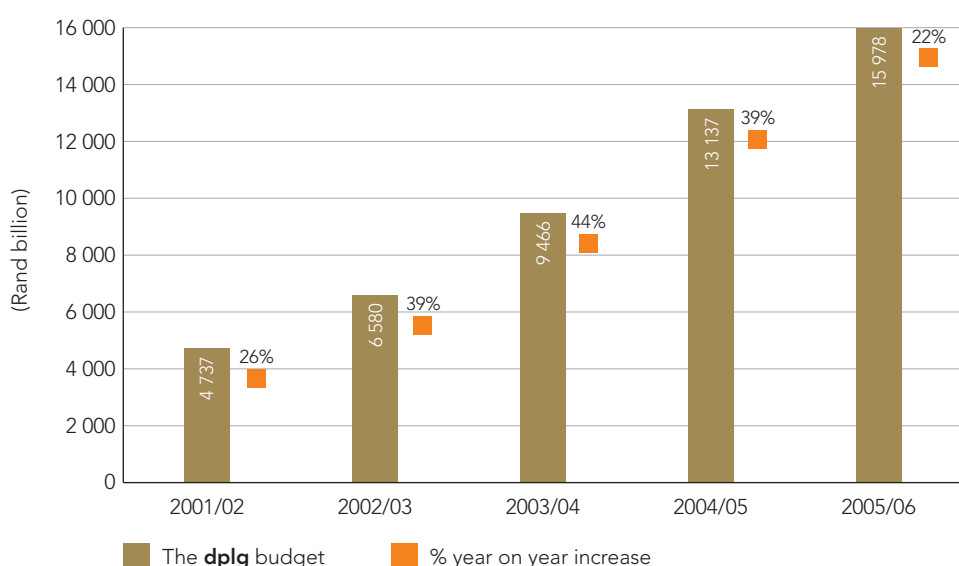
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The **dplg** at a glance

ORIENTATION

	THINGS TO KNOW
1.	Before 1994, there were 4 Administrations, 10 Bantustans and more than 800 racially segregated local authorities in South Africa.
2.	The National and Provincial Government System came into effect in 1994 after adoption of the transitional Constitution of the Republic of South Africa. The New Local Government System was inaugurated later, on 5 December 2000. The first term of these Municipalities ended after 5 years in December 2005 and the second elections were held on 1 March 2006.
3.	From the year 2000, more than 800 municipalities were amalgamated and reconstituted to 284 in order to uphold the principles and values of a democratic South Africa. After the enactment of the Constitution Twelfth Amendment Act and the Cross-boundary Municipalities Laws Repeal and Related Matters Act in 2005, there are now 283 municipalities.
4.	The dplg is a coordinating national department which is responsible for governance matters, particularly at provincial and local spheres of government
	<i>For more information on Vision, Mission and Mandate, refer to page 20.</i>

Allocation Trends – Municipalities



FINANCES AND HUMAN RESOURCES	
5.	Out of 3 components of the government's budget (National, Provincial and Local), the allocation to municipalities is the fastest growing component.
6.	In the 2001/02 financial year, total transfers to local government amounted to only R4,7 billion. By the 2005/06 financial year, the annual transfer amounted to R15,6 billion and is expected to increase to approximately R31 billion by the 2008/09 financial year.
7.	<p>In the 2005/06 financial year, the total expenditure in the dplg amounted to R15,9 billion, representing 99,9% of the total appropriation.</p> <p><i>For more information on dplg finances, refer to the Report of the Accounting Officer on page 78.</i></p>
8.	Out of the approximately 1,2 million public servants, 750 000 are employed in provinces, 230 000 in municipalities and the remainder in National Departments. The dplg , as the coordinating department, has in its employ a team of approximately 400 staff members.

Foreword by the Minister



Minister: Mr FS Mufamadi

Through this “hands-on” support we managed to mobilise resources and expertise from across the governmental, state-owned enterprises and private sectors. The deployment of Service Delivery Facilitators (SDFs) proved to be instrumental in key successes recorded in many municipalities across the country.

I feel privileged to present to you the Annual Report of the Ministry of Provincial and Local Government for the 2005/2006 financial year. For the Ministry this report has special significance since it marks the end of the first term of our new local government system thus giving us the opportunity to assess our gains and better address the challenges that lie ahead.

In the last five years we have made tremendous progress in moving our local government system towards one that is more responsive to the needs of our people and more capable of meeting its core service delivery and development obligations. In the 2005/6 financial year we focused on one overriding objective, namely that of strengthening government’s collective capability to meet the expectations of our people at a local level.

The first strategic focus of our work was thus to institutionalise the commitments of government through various interventions and processes. During the period under review, the Ministry was able to promulgate the Intergovernmental Relations Framework Act (Act No. 13 of 2005) in August of 2005 and thereby give substance to the Constitutional principle of cooperative governance. For the first time in our history we have articulated a legislative framework that enables three spheres of government to work together in a manner that gives coherence to seamless service delivery, monitoring and evaluation across all spheres of government of policies and the realisation of national priorities. Further to this, the successful Integrated Development Plan (IDP) hearings held country-wide during the course of the year provided a solid basis to ensure appropriate, relevant and

For the Ministry this report has special significance since it marks the end of the first term of our new local government system thus giving us the opportunity to assess our gains and better address the challenges that lie ahead.

realistic plans to be adopted upon which we can build structured and predictable intergovernmental relations whilst aligning development priorities across government.

Through the Integrated Rural Development and Urban Renewal Programme the Ministry once again elevated the development of the Presidential urban and rural development nodes to the very pinnacle of its agenda. We put tremendous effort into coordinating and consolidating government-wide efforts to maximise impact on the lives of communities residing here. As in previous years, the success of this work is much reliant on the inputs and cooperation of sector departments and other partners in development. While we were able to record significant successes in many of these nodal areas, much work remains as we attempt to address the spatial and economic disparities from our past.

A second strategic area of work was our conscious decision to continue to speed-up and mainstream our hands-on support to targeted municipalities through Project Consolidate. Through this "hands-on" support we managed to mobilise resources and expertise from across the governmental, state-owned enterprises and private sectors. The deployment of Service Delivery Facilitators (SDFs) proved to be instrumental in key successes recorded in many municipalities across the country. Through Project Consolidate we assisted many municipalities to, amongst other things:

- improve the quality and credibility of their Integrated Development Plans,
- enhance their credit control and billing systems,
- submit Annual Financial Statements for the first time in many years,
- accelerate service delivery and tackle critical backlogs,
- establish ward committees, and
- sharpen their development priorities and focus on their core capabilities through the 2005 Presidential Izimbizo programme.

By the end of the 2005/06 financial year, a total of 112 experts, 18 graduates and 80 students were mobilised and deployed in a total of 69 Project Consolidate municipalities. Some of the key partners that made these deployments possible include the Development Bank of Southern Africa (DBSA), the Department of Water Affairs and Forestry (DWAF), the Local Government SETA, the Engineering Council of South Africa, the South African Institute of Civil Engineers (SAICE), the South African Black Technical Allied Careers Organisation (SABTACO), the South African Association of Civil Engineers, and DFID (UK). Through our collective we have begun to see notable progress in municipalities such as Dr JS Moroka, Cederberg, Mathjabeng and Buffalo City.

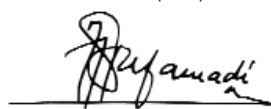
A third area of strategic focus was on increasing the municipal fiscal and economic base of our municipalities. Through this area of work the financial sustainability of municipalities was

given a further boost through the publication of the first set of regulations and guidelines for the Municipal Property Rates Act, 2004 (Act no.6 of 2004). In addition to this, government adopted legislation that did away with cross-boundary municipalities. This must serve to accelerate service delivery in all corners of the country.

Government's continued focus on the poor influenced the adoption of the Indigent Policy Framework which resulted in an increased number of poor households having access to Free Basic Water and Electricity. Lastly, a final area of strategic focus was to deepen the contract between public representatives and our people, whilst at the same time broadening access to opportunities. We launched a *Handbook for Ward Committees* and the *Ward Committee Resource Book* on the 10th of February 2006 and initiated work to accredit our training programme for Ward Committees. Our focus on increasing the synergy between municipal Local Economic Development (LED) Plans and the Accelerated and Shared Growth Initiative (SA) continues to be a top priority. In this regard we took a decision to convene Growth and Development Summits in every District and Metropolitan Municipality. A primary objective of these summits will be to broaden critical partnerships with government.

The apex of the 2005/6 financial year was no doubt the successful municipal elections that were convened on the 1st of March 2006. Over 9300 councilors were elected to serve our people across the country in 283 municipalities. While we have decided to provide maximum support to all of these councilors, we must also take this opportunity to acknowledge the contributions of the outgoing councillors, who, in the face of multiple challenges have served their communities with unquestionable commitment and unwavering dedication. These councilors have set in motion processes that seek to create conditions which promote sustainable development and universal access to such basic services as electricity, water and sanitation as well as refuse removal. The incoming councilors will do well to build on the sound foundations of their predecessors.

Early in 2006 government adopted a Five Year Strategic Plan for the second term of Local Government (2006 –2011). This plan mainstreams the hands-on support approach of Project Consolidate and seeks to ensure that national priorities are realised in all our 283 municipalities. We are hopeful that we will advance our objective of deepening the contract to better the lives of all our people in this second term of Local Government.



FS Mufamadi
Minister for Provincial and Local Government.

Acknowledgments by the Deputy Minister



Deputy Minister: Ms NE Hangana

We would also like to acknowledge our partners in the provincial and local spheres of government for their active participation in various intergovernmental relations forums. The political and technical leadership provided during and between sessions were instrumental in the development and implementation of well-informed decisions.

Taking a medium to long-term view of Government's Programme of Action (GPOA) and whilst acknowledging the remaining challenges, this report notes significant gains made against objectives over a one year period.

ACKNOWLEDGEMENTS

The Ministry for Provincial and Local Government started the 2005/2006 financial year fully aware of the constraints under which we would be required to operate. On the one hand we had finite financial resources and a limited human resource base at our disposal, while the demands made upon these on the other, were ever expanding. Our critical knowledge of these conditions allowed us to develop a strategic plan mindful of this challenging environment. This report details our progress in pursuit of the measurable objectives formulated during the planning phase of the operating cycle. Taking a medium to long-term view of Government's Programme of Action (GPOA) and whilst acknowledging the remaining challenges, this report notes significant gains made against objectives over a one year period.

Our partners and stakeholders were key contributors to our performance for the past year. Working along-side us in the various FOSAD clusters, our sister departments provided valuable input and insights, which enabled us to continually redesign and refine our strategies in response to the dynamic environment that characterises the local government sector. This kind of integration led to the demonstrably more efficient service delivery levels achieved during the past year and attests to the value of inter-departmental cooperation.

We would also like to acknowledge our partners in the provincial and local spheres of government for their active participation in various intergovernmental relations forums. The political and technical leadership provided during and between sessions were instrumental in the development and implementation of well-informed decisions.

As we have become accustomed to by now, the contributions by institutions linked to the Ministry over the period under review, have been invaluable. The advisory and other roles performed by the Municipal Demarcation Board (MDB), the Municipal Infrastructure Investment Unit (MIIU) and the National House of Traditional Leaders (NHTL) and the South African Local Government Association (SALGA) continue to assist us in our quest to provide the dplg with strong political leadership and strategic guidance.

Most importantly, I would like to acknowledge and thank our communities for having been patient and worked with us in addressing service delivery challenges. Thank you for your participation in our IDP processes, and for attending our Project Consolidate Presidential Izimbizo. Your contributions in these gatherings have always enlightened and helped us better refine our approaches to service delivery.

I thank you.



Ms. Nomatyala Hanganana
Deputy Minister

Overview by the Accounting Officer



Accounting Officer: Ms Lindiwe Msengana-Ndlela

In the year under review, our Department has benefited from periodic assessments of performance through the Government's cluster system, the President's Coordinating Council and the Local Government MinMEC.

This reporting year has indeed been a significant one, as we ushered in the Second Decade of Freedom as a democratic nation and the second term of Local Government. As we embrace the success of these milestones, this Annual Report will place into perspective our role as a department entrusted with the responsibility of coordinating work among the three spheres of government.

A governance system that enables development and service delivery

An analysis of the **dplg's** Annual Report, together with reports of similar national departments, points to the character and design of the governance system and the national budget, particularly with respect to financial allocations to provinces and local government. The report reflects an increasing and systematic

allocation of financial and other resources in these two other spheres in order to address the basic needs of our people.

Equally, there is a recognition that government should pay particular attention to strengthening integration of the intergovernmental system, which in itself is an important resource that has been bequeathed to South Africa by the generation of democrats who drafted the Constitution of the Republic. To this end, the **dplg** is proud to report that legislation on the Intergovernmental Relations Framework was enacted in August 2005 and is now being implemented in all spheres of government.

Our efforts in the medium to long term continue to be directed towards monitoring performance and the practical

This is the year in which we can proudly report that the South African local government elections were held successfully and were pronounced as free, fair and credible by the Independent Electoral Commission (IEC).

impact of service delivery, particularly at provincial and local government levels. In the year under review, our Department has benefited from periodic assessments of performance through the Government's cluster system, the President's Coordinating Council and the Local Government MinMEC.

At the same time the role and place of the Institution of Traditional Leadership in our governance system has been recognised formally through national legislation. By the end of December 2005, Provinces were able to table and pass Provincial specific legislation at their respective Legislatures. The **dplg** continued to provide support to the National House of Traditional Leaders and the Commission on Traditional Leadership Disputes and Claims, on programmes targeted at traditional communities.

Consolidating local government capacity

This is the year in which we can proudly report that the South African local government elections were held successfully and were pronounced as free, fair and credible by the Independent Electoral Commission (IEC). We are indeed grateful of the support that our Ministry and Department received from all the relevant government departments and agencies who were part of a coordinated effort towards a successful poll on 1st March 2006.

The new term of local government can indeed be characterised as one of great opportunity and hope for all South Africans, particularly the poor. The positive result of the elections follows the State of the Nation Address by President Mbeki on 03 February 2006 who referred to this phase of our democracy as an "Age of Hope".

Inspired by the early successes of *Project Consolidate*, our department facilitated an unprecedented national consultation exercise, in the form of *Izimbizo*, which took place in local areas countrywide, with our President, Deputy President, our Ministry and other Ministries leading and interfacing directly with communities and local leadership. We have since deployed additional capacity at municipal levels and sought to strengthen the Local Government Strategic Agenda for this new term from 2006 to 2011.

We would like to acknowledge the role played by State Owned Enterprises, the private sector, labour organisations and civil society in continuing to contribute towards improved local government capacity through their participation in the *Project Consolidate* initiative.

We take this opportunity to once again invite members of the public and stakeholders to take part in building our proud South African nation, by joining hands with Government in different programmes that are highlighted in this report.

Financial highlights

We are pleased to report that in the 2005/06 financial year, the **dplg's** total expenditure amounted to R15,9 billion, representing 99,9% of the total appropriation. Also of significance is, once again, we received an unqualified audit opinion from the Auditor-General.

With increased resources to local government as reflected in this report, supplemented by local revenue, municipalities continue to focus on the implementation of government programmes, particularly with respect to the following areas:

- (i) Free basic services, operational costs and sustainable development, through the *Equitable Share* that the **dplg** transfers to municipalities;
- (ii) Infrastructure development and maintenance services: water, sanitation, electricity, municipal roads, community halls, sports and recreation facilities and utilising as much as possible, labour intensive methods of infrastructure development. Resources have been allocated for this purpose through the *Municipal Infrastructure Grant*; and
- (iii) Capacity development in municipalities and improved systems with regard to community participation, planning, finance and performance management systems through the *Municipal Systems Improvement Grant*. We continue to work in close collaboration with the South African Local Government Association (SALGA) in order to improve the capacity of organised local government.

Collective action

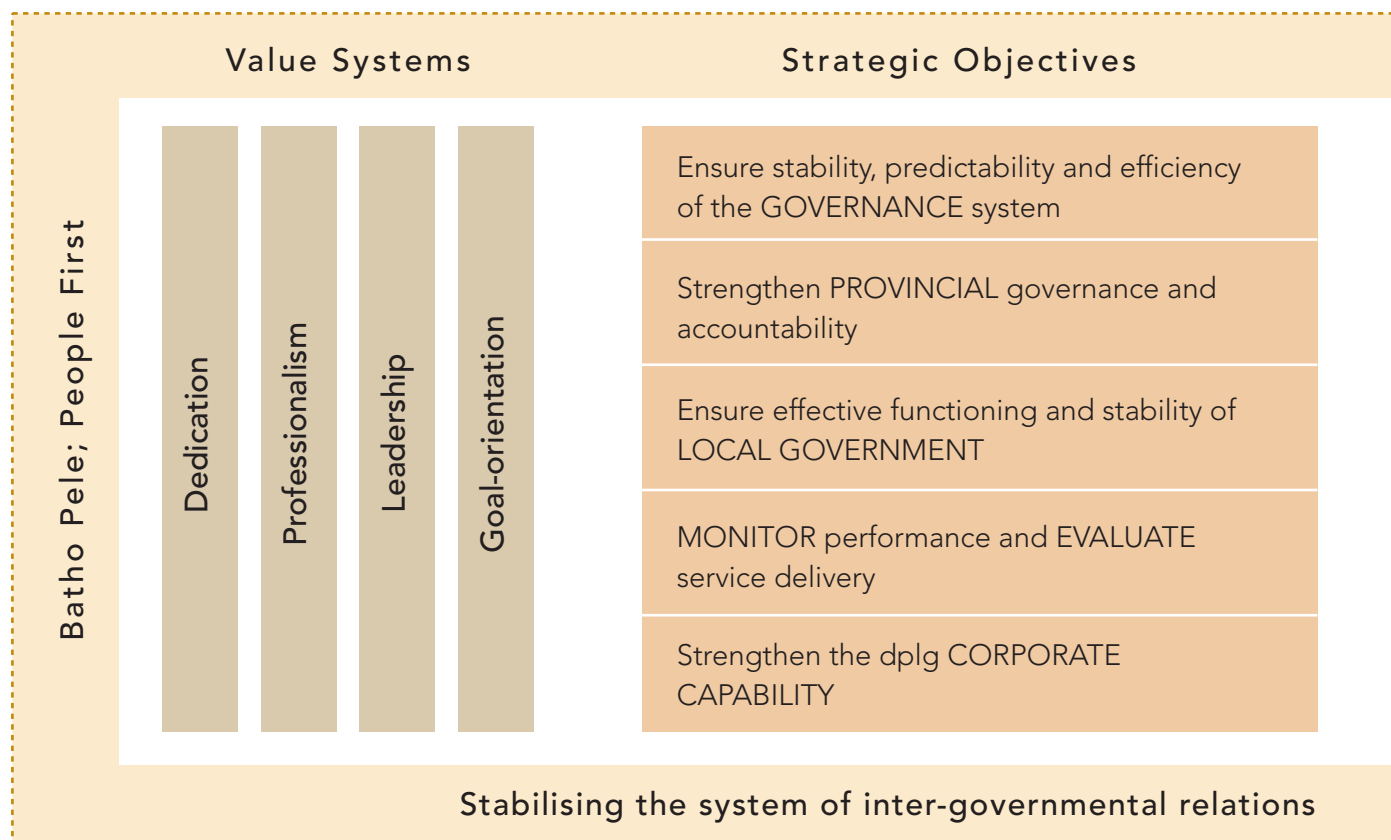
The achievement of our strategic objectives in this financial year would not be possible without the dedication and contributions by staff members of the **dplg**. I would like to extend my sincere appreciation to all members in this regard and remain positive of their support as we improve the lives of our people.



Thank you

Ms L Msengana-Ndlela

the dplg value chain



The achievement of our strategic objectives in this financial year would not be possible without the dedication and contributions by staff members of the dplg.

Organisational Structure

Governance Policy and Research
Systems and Capacity Building
Urban and Rural Development
Free Basic Services and Infrastructure
Monitoring and Evaluation
Corporate Services

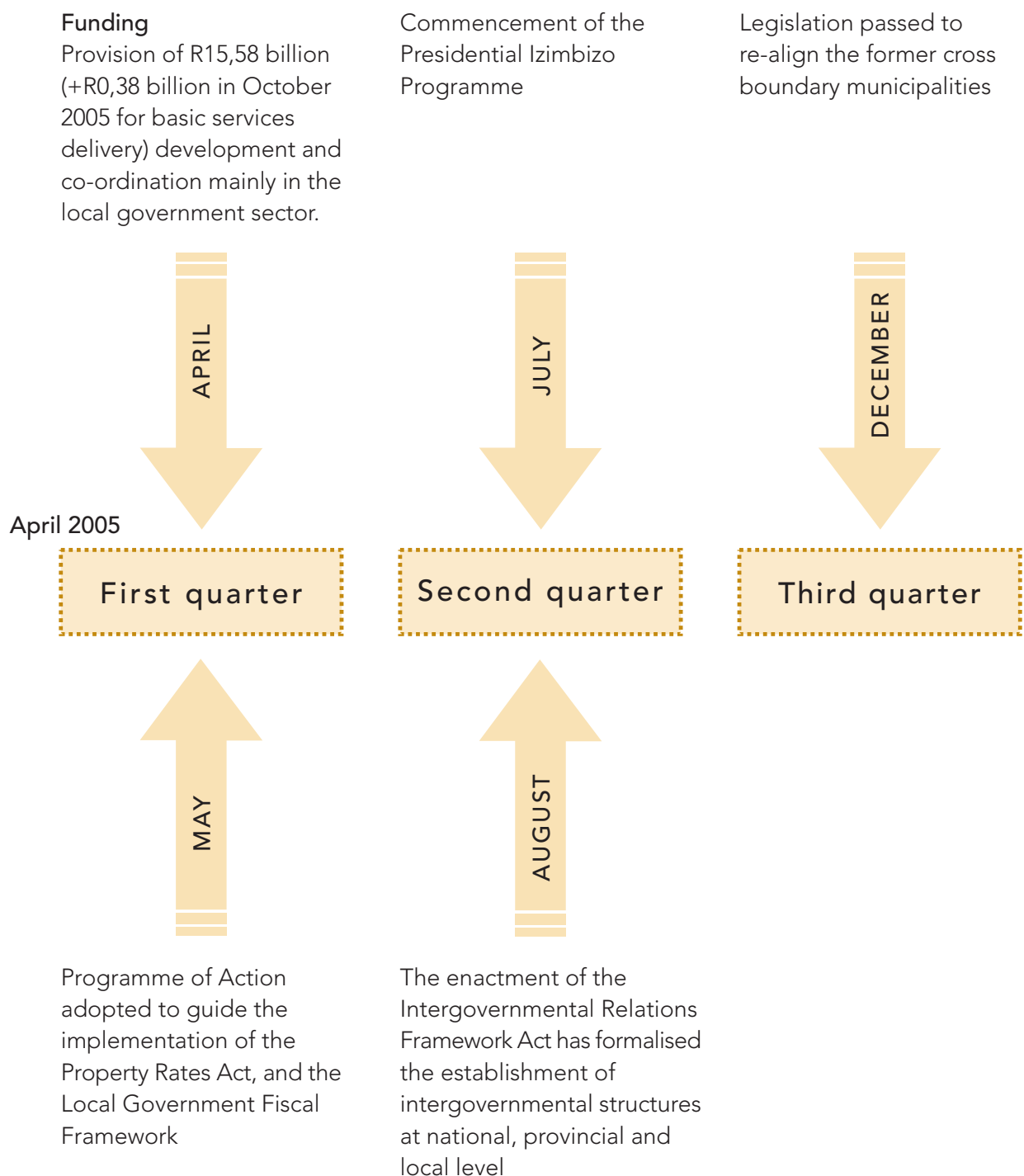
Services

idp	Integrated Development Planning
msh	Municipal Service Partnerships
ndmc	National Disaster Management Centre
led	Local Economic Development Programme
isrdp	Integrated Sustainable Rural Development Programme
urp	Urban Renewal Programme
mig	Municipal Infrastructure Grant
pims	Planning Implementation Management Support Services

**Realising the
People's
Contract,
Public
Participation
and
Empowerment**

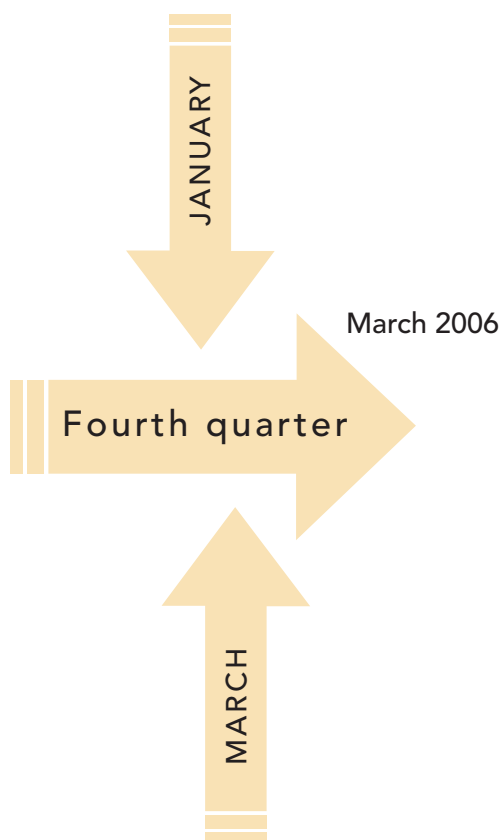
towards accelerated service delivery and development

Snapshot of the Year





Adoption by Cabinet of the
Implementation Plan for the
5-Year Strategic Local
Government Agenda



Taking a medium to long-term view of Government's Programme of Action (GPOA) and whilst acknowledging the remaining challenges, this report notes significant gains made against objectives over a one year period.

2006 Local Government
Elections held, showing a
0,33% increase in voter
turnout from 2000 to 2006

Chapter 01

Inspired by the early successes of Project Consolidate, our department facilitated an unprecedented national consultation exercise, in the form of Izimbizo, which took place in local areas countrywide, with our President, Deputy President, our Ministry and other Ministries leading and interfacing directly with communities and local leadership.

Introduction and general information



Introduction and general information

1.1. Introduction

This report assesses the **dplg**'s performance against planned targets published in the Vote 5: Provincial and Local Government Estimates of National Expenditure (ENE) 2005 document and against pre-determined objectives as outlined in the 2005-2010 Strategic Plan. The first part of the report provides contextual background information including information on the Ministry and the vision, mission, values and legislative mandate of the department. In addition to reporting on major milestones attained and key policy developments for 2005/06, the second part of the document also gives a Programme-by-Programme account of the department's achievements as per performance related indicators. Each Programme's non-financial data is analysed for performance against service delivery outputs planned. Additional tables indicate budgeted and actual expenditure financial data per Programme.

1.2. Information on the Ministry

1.2.1 Objectives on the Ministry

The main objective of the Ministry is to provide political leadership and strategic guidance to the **dplg** in fulfilling its mandate.

1.2.2 Public entities reporting to the Minister

- Municipal Infrastructure Investment Unit (MIIU)
- South African Local Government Association (SALGA)

1.2.3 Constitutional Institutions and other agencies related to the Ministry

- Municipal Demarcation Board (MDB)
- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.
- Commission on Traditional Leadership Disputes and Claims
- South African Cities Network (SACN)
- National House of Traditional Leaders

Annexure A contains a complete list of legislation administered by the **dplg**.

1.3 Vision, Mission and Values

VISION

A well coordinated system of government consisting of National, Provincial and Local Spheres working together to achieve sustainable development and service delivery.

MISSION

Our mission is to:

Provide professional and technical support to Government by:

- Developing appropriate legislation to promote integration in government's development programmes and service delivery;
- Providing strategy interventions, support and partnerships to facilitate policy implementation in the provinces and local government; and
- Creating enabling mechanisms for communities to participate in governance.

VALUES

Our values are informed by the Batho Pele (people first) principle of the South African Public Service and specific **dplg** focus is on the following:

- Dedication to development and service delivery;
- Professionalism in the conduct of all employees;
- Leading and participating in service delivery; and
- Goal-orientation in undertaking our mandate.

1.4 the dplg value chain

1.5 Legislative Mandate

Our primary mandate is to:

- Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their developmental role;
- Develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and
- Promote sustainable development by providing support to provincial and local government.

The **dplg**'s mandate is derived from Chapters 3 and 7 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), hereafter referred to as the Constitution.



As a national department its function is to develop national policies and legislation with regard to local government, and to monitor inter alia the implementation of the following:

- White Paper on Local Government (1998)
- Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)
- Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998)
- Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Disaster Management Act, 2002 (Act No.57 of 2002)
- Traditional Leadership and Governance Framework Act, 2003 (Act No.41 of 2003)
- Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003)
- Municipal Property Rates Act, 2004 (Act No.6 of 2004)

1.6 Legislation enacted during 2005/06 financial year

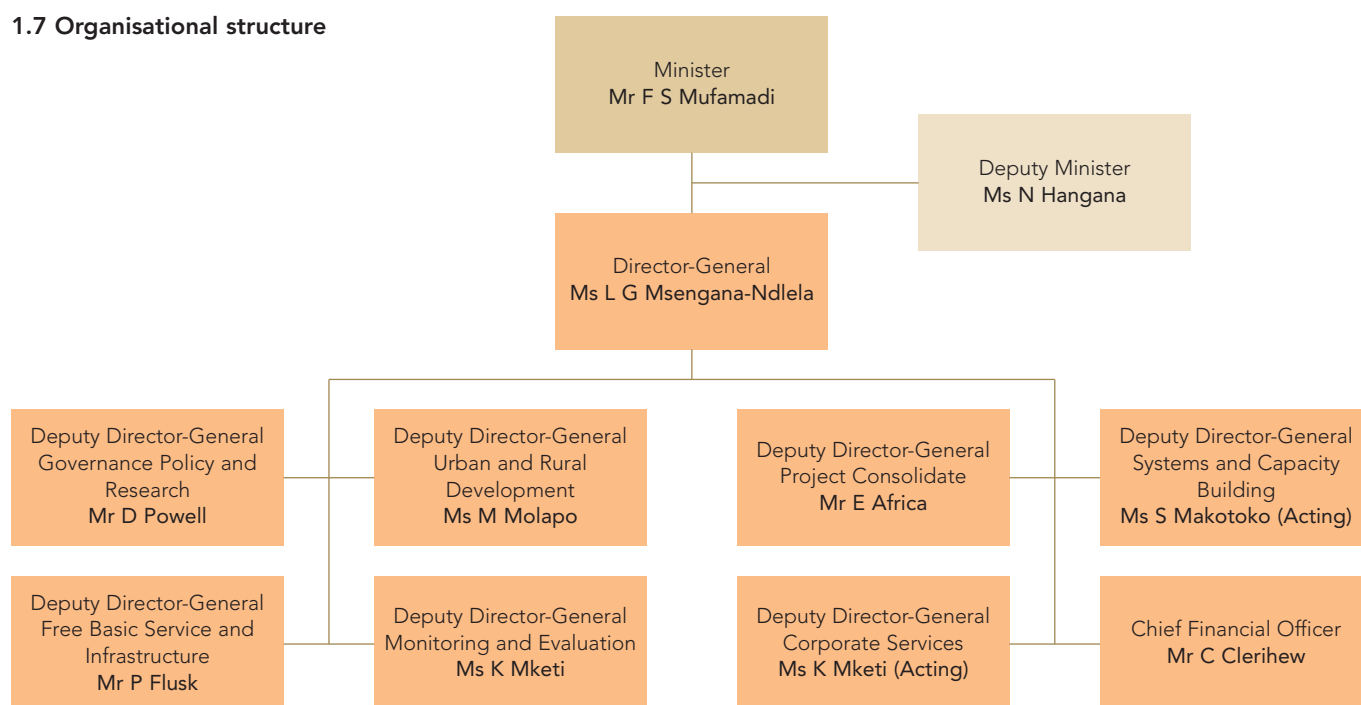
Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)

The Intergovernmental Relations Framework Act, the last constitutionally required legislation in terms of section 41(2) of the Constitution was assented to and signed by the President on 10 August 2005 and came into effect on 15 August 2005 after publication. The purpose of the Act is to provide an institutional framework for the establishment of IGR structures and mechanisms for settling intergovernmental disputes.

The first part of the report provides contextual background information including information on the Ministry and the vision, mission, values and legislative mandate of the department. In addition to reporting on major milestones attained and key policy developments for 2005/06.

Introduction and general information

1.7 Organisational structure





The new term of local government can indeed be characterised as one of great opportunity and hope for all South Africans, particularly the poor. The positive result of the elections follows the State of the Nation Address by President Mbeki on 03 February 2006 who referred to this phase of our democracy as an “Age of Hope”.

Chapter 02

In continuing to improve “hands-on” targeted support to Municipalities through Project Consolidate, the **dplg** adopted a deployment programme where key officials were deployed to individual Municipalities to provide support on a regular basis.

Programme performance



Programme performance

2.1 Summary

Voted funds

Final appropriation by Vote 5 R15 960 427 000

Statutory appropriations R Nil

Responsible Minister Minister for Provincial and Local Government

Administering Department Department of Provincial and Local Government

Accounting officer Director-General of Provincial and Local Government

Aim

The aim of the Department of Provincial and Local Government (**dplg**) is to develop and promote a national system of integrated and co-operative governance and to support provincial and local government.

Key objectives, programmes and achievements

Key Strategic Objectives:

The **dplg** identified the following as its strategic objectives for the period under review:

1. Promote a governance system that will enable service delivery in a developmental state
2. Strengthen provincial governance and accountability
3. Consolidate local government capability and impact to achieve sustainable development
4. Monitor performance, evaluate service delivery and communicate development
5. Strengthen **dplg** organisational capacity and capability

2.1.1 Introduction to departmental programmes

The activities of the Department of Provincial and Local Government are organised under the following seven Programmes:

- Programme 1: Administration
- Programme 2: Governance, Policy and Research
- Programme 3: Urban and Rural Development
- Programme 4: Systems and Capacity Building

- Programme 5: Free Basic Services and Infrastructure
- Programme 6: Provincial and Local Government Transfers
- Programme 7: Fiscal Transfers

The Department made satisfactory progress in terms of its strategic objectives and has achieved the following milestones during the year under review:

- The Intergovernmental Relations Framework Bill was promulgated in August 2005.
- The **dplg** has successfully completed the Integrated Development Planning (IDP) hearings process in all the 9 provinces, 53 municipalities and submitted the reports to the Minister and members of the executive committee (MinMEC), the Governance and Administration (G&A) Cluster of the Forum of South African Directors-General (FOSAD), and July 2005 Cabinet Lekgotla. The IDP Hearings made possible a structured intergovernmental engagement on how to align development priorities across government.
- Review and update of the National Spatial Development Perspective (NSDP) completed. Provincial Growth and Development Strategies (PGDS) guidelines have been finalised. Assessment of PGDS's against guidelines completed. Nine PGDS were assessed.
- The **dplg** is providing guidance to provinces to adopt the outstanding legislation on traditional leadership; the President's Coordinating Council (PCC) workshop with the National House of Traditional Leaders (NHTL) and the NHTL conference were important milestones in this regard.
- The completion of almost a hundred profiles for the Izimbizo Programme and the contributions to the Local Government Review were notable achievements.
- The baseline for the Urban Renewal Programme (URP) has been developed based on key indicators from the 2001 census, a website has been operationalised and progress reports on the nodes were submitted to the Social Sector Cluster of FOSAD (SSC) as well as Cabinet Makgotla in July 2005 and January 2006.
- The Urban and Rural Development (URD) Programme has finalised the crafting and approval of Nodal Cluster Interventions for all FOSAD Clusters. The URD Programme has audited nodal funding and technical shortfalls for key



- anchor projects and is working with Departments to secure funding for the Nodes from the 2006/2007 financial year.
- Funding has been secured from the Business Trust to undertake economic profiling and strategy development for the nodes whilst specifically focusing on the Bohlabela Node to leverage investments for the node. Technical support has also been secured from European Union (EU) to Strengthen the URP Programme Management across the 3 spheres.
 - Interim URP "Best Practice Report" tabled and augmented by a Reference Group established to oversee the process.
 - Some of the highlights include a successful Municipal Finance Indaba; a generally positive review of the EU Local Government Support Programme.
 - Preparation of critical legislation for the elections held on 1 March 2006, Cross-boundary municipalities and the Local Government Disaster Management Regulations, the pilot roll-out of the of the Local Government: Anti-Corruption Programme in a number of provinces and the development of a revised Municipal Leadership Development Programme (MLDP) funding model.
 - The Free Basic Services and Infrastructure Programme finalised a Resource Book, and a Hand Book to guide Municipalities on public participation and to assist Ward Committees.
 - The national launch of Community Development Workers (CDWs) Programme took place in November 2005. Research of the CDW Programme has been completed and a report is available. During this financial year, 1 340 CDWs were deployed to municipalities.
 - Guidelines on Municipal Services Partnerships completed, printed and to be distributed. Quarterly Growth and Development Summit (GDS) reports submitted to the Department of Labour (DoL).
 - 5 292 MIG Projects with a total value of R19 819,30 million were registered by March 2006, and the employment opportunities for women (including, Female Youth and disabled persons) in person days expressed as a percentage was 34% of total employment opportunities.

- Hands-on support was given to assist Project Management Units (PMUs) with technical capacity. An implementation date to use only the electronic Municipal Infrastructure Grant Management Information System (MIG-MIS) will be set. Ownership of the MIG-MIS must translate to a value-add and shared benefit with sector departments.
- Adoption of the Re-determination of the Cross-Boundary Municipalities Bill by Parliament and the introduction of the Constitution Twelfth Amendment Bill into Parliament, the draft Local Government Employees Bill and policy approach has been endorsed by the Ministry and are being consulted on. Further refinement is ongoing.
- The **dplg** has also successfully co-ordinated and facilitated its assigned Municipal Izimbizo on Project Consolidate.

2.1.1 Overview of service delivery environment for 2005/06

In continuing to improve hands-on targeted support to Municipalities through Project Consolidate, the **dplg** adopted a deployment Programme where key officials were deployed to individual Municipalities to provide support on a regular basis. This Programme affected the achievement of some of the planned targets for the financial year under review.

Programme 1: Administration



Deputy Director General: Ms K Mketi

2.2.1 Purpose:

Provide for the management leadership and administration of the department.

2.2.2 Measurable Objective

Effective leadership, management and administrative support to business units of the **dplg** ensured, through continuous refinement of corporate policies, structure and systems in compliance with legislation and best practice, and championing Batho Pele principles and Service Delivery.

2.2.3 Service Delivery Objectives and Indicators

During the 2005/06 financial year, the Programme successfully managed to achieve the strategic goals with regard to all the Internal Audit and Risk Management plans and charters, and further institutionalisation of best audit practices in the Department.

The implementation of the least cost routers also resulted in a 34% saving with regard to telephone costs. The approval of the Leadership Development model enabled a structured and practical approach to the human resource development of the Senior Managers.

Communication of the **dplg** Programmes was also enhanced through the establishment of communication fora in Provinces, Local Government and internally within the **dplg**. This improved the co-ordination of all communication efforts with relevant stakeholders, and also led to the development of a leaflet for Councillor Induction and the guidelines for Local Government Communicators.

The Programme also provided enabling systems to managers in support of Project Consolidate, and the co-ordination of Presidential and Ministerial Izimbizo in Municipalities. This enhanced the understanding and appreciation of line function work within the Programme.

2.2.4 Programme Developments

This Programme is divided into nine sub-Programmes:

2.2.4.1 Human Resource Management and Development

The sub-programme Human Resource Management and Development has focused on the provision of an integrated Human Resource Management and Development service and solutions. Key amongst these was the implementation of a competency-based recruitment system and the performance management and development system. These ensured that the **dplg** recruited and retained suitable staff. Considerable effort went into implementing the **dplg** structure and filling of core senior management positions. The Human Resource Development (HRD) Strategy has been approved. As part of the HRD strategy, the **dplg** developed a competency framework for all levels and implemented a structured training curriculum. The finalisation of the skills audit at macro level contributed towards the approval of the Leadership and Management Development model. An enhanced employee wellness Programme aimed at ensuring that employees maintain a healthy work and life balance is being implemented.

The revised organisational structure for the 2005/06 financial year has resulted in the vacancy rate of 22,7%. Out of the total turnover rate of 21,4% resignations constitute 7% and the remaining 14,4% is largely due to transfers to other departments, retirements and natural attrition.

2.2.4.2 Chief Financial Officer

To render financial and accounting services to the department in terms of the Public Finance Management Act, 1999 and the Division of Revenue Act, 2005.

2.2.4.3 Internal Audit and Risk Management

The sub-programme focused on reviewing the Department's systems of internal control, governance and risk management and providing management with assurance to achieve its objectives. The conducting of risk based audits and the provision of recommendations to improve internal control systems was one of the primary focus areas. The **dplg**'s risk management culture was improved through the implementation of the approved Risk Management Policy and the roll out of the Risk Awareness Programme.



2.2.4.4 Compliance and Legal Services

The sub-programme Compliance and Legal Services rendered legal support to the Ministry and the Department, and provided due diligence services in support of corporate governance. Great strides have been made in respect of institutionalising compliance and due diligence principles within the **dplg**, for example, the implementation of the Promotion of Access to Information Act, 2000 has been completed.

2.2.4.5 Corporate Planning and Project Management

The sub-programme Corporate Planning and Project Management's main focus was to develop and institutionalise the strategic management process. A major component of this process that was achieved is the establishment of the quarterly progress review process. An Annual Performance Plan for 2006/07-2008/09 was finalised.

2.2.4.6 Corporate Secretariat

The Corporate Secretariat focused on the provisioning of speechwriting, secretariat, cluster liaison and editing services to corporate governance and intergovernmental forums. The sub-programme facilitated and co-ordinated intergovernmental forums for corporate and the monthly governance forums (MinMec, PCC, G&A Cluster) for the year under review. The sub-programme also provided document quality services in the production of major departmental publications such as the Annual Report 2004/05 and the Strategic Plan 2005 – 2010.

2.2.4.7 Marketing and External Communications

The sub-programme Marketing and External Communications profiled the Ministry and the Department and ensured that the corporate image and identity of the Department and leadership were enhanced, ensured that information on key **dplg** programmes was availed to the media, the public and relevant stakeholders. The sub-programme also contributed to the National Government Communicators Forum and provided support to various communications clusters.

2.2.4.8 Internal Communication

The function and role of this sub-programme is to effectively manage the corporate brand of the organisation and enhance the overall corporate profile of the Department. This sub-programme has greatly contributed in a process, together with the South African Local Government Association (SALGA) and the Government Communication and Information System (GCIS), of setting up of the Local Government Communication System. This consists of establishing an appropriate system at municipal level to facilitate effective interaction and communication between municipal councils and their respective communities – the policy outcomes of which are to be deliberated and adopted at the forth coming Local Government Communication System Conference in May 2006.

2. 2.4.9 Information Technology and Management

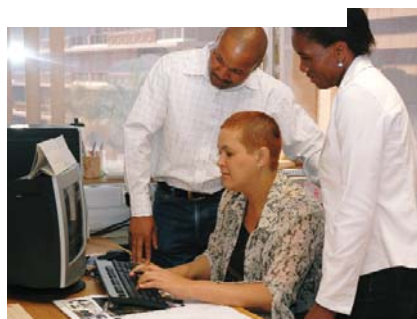
The Information Technology and Management sub-programme focused on the efficient and effective provisioning of Information Technology support and services. The implementation of the departmental Master Systems Plan proceeded as planned. The primary focus area for the Unit was the continued development of Monitoring and Evaluation Systems. Progress was also made in respect of the integration of key systems in the department such as the Integrated Development Planning Nerve Centre and the Municipal Infrastructure Grant Management Information System.

2. 2.4.10. Ministerial Services

The sub-programme Ministerial Services focused on the creation and maintenance of systems and procedures designed to support the work of the Minister and Deputy Minister.

Programme 1: Administration continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Corporate planning and project management	MIS aligned to strategic and business plans format	Percentage capturing of performance elements of strategic plan and business plan into the MIS	Capturing Performance elements of strategic and business plans into the MIS	Achieved Performance elements of the strategic and business plans fully captured into MIS
	Analysis of branch QRM reports and ensure alignment with business plans	Number of dplg quarterly performance reports	<ul style="list-style-type: none"> Organisational report for Q4 (2004/5) Q1, Q2, and Q3 (2005/06) presented 	Achieved Organisational report for Q4 (2004/5) Q1, Q2, and Q3 (2005/06) updated
	MIS with early warning system (EWS) capabilities	<ul style="list-style-type: none"> Draft EWS strategy Percentage early warning capability built into the MIS 	<ul style="list-style-type: none"> EWS drafted and adopted as strategy Early warning capability built into MIS 	Partially achieved Draft early warning strategy to be developed in 2006/7. EWS capability built into MIS
	Alignment of MIS with external reporting requirements	Percentage alignment of external reporting elements	<ul style="list-style-type: none"> 40% of critical external reporting requirements to be integrated into MIS 	Not achieved External reporting requirements to be agreed on in 2006/7
	A strategy and its implementation plan, integrated with external data sources	External and internal integration of data sources strategy in place An integrated, automated system in place	<ul style="list-style-type: none"> External sources of data identified Strategy implementation plan developed and adopted 	Not achieved Work on the development of the integration strategy commenced
	Up to date accurate performance information provided through the MIS	<ul style="list-style-type: none"> No of quarterly reviews conducted on the dplg wide performance against strategy 	<ul style="list-style-type: none"> Q4 performance review of 22 April 2005 Q1 and Q2 performance review of 25 October 2005 Q3 performance review of 17 February 2006 for FY 2005/06 	Achieved Q4 performance review of 22 April 2005 Q1 and Q2 performance review of 25 October 2005 Q3 performance review of 17 February 2006 for FY 2005/06
	Integration strategy of essential monitoring and evaluation information not on the MIS with regard to the dplg mandate obligations and dplg programmes	Integration of M&E information strategy adopted	<ul style="list-style-type: none"> The dplg internal M&E system programme of action developed Essential elements consolidated and tabled for approval Implementation plan of M&E integration process developed 	Partially achieved M&E forum established and approach adopted Cross – cutting functions in the department identified 60% of the department's M&E systems audited
Compliance and legal	Submitting an annual legislation programme to parliament and the office of the leader of government business	<ul style="list-style-type: none"> An approved annual legislation programme submitted to parliament and office of the leader of government business by October 2005 	An annual legislation Programme for 2006 drafted, approved and submitted to Parliament and the Office of the Leader of Government Business	Achieved An annual legislation programme approved and submitted to parliament and the office of the leader of government business



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Compliance and legal	Review and possible re-publication of manual in terms of the Promotions of Access to Information Act	<ul style="list-style-type: none"> Re-publication of manual in terms of access to information act by November 2005 	Manual reviewed	Achieved Manual reviewed
	Convening the Bid Specification Committee and signing-off on ToRs/bid specifications as per the listed service standard	Number of bid specification committee meetings held Number of ToRs/bid specifications considered as per the listed service TAT-ToR's considered since submission to the Committee	Per the service standard	Achieved Service standard achieved A total of 12 meetings of the bid specification committee were held, and 23 ToRs/ bid specifications were considered as per the listed service standard. On average ToR's were considered within 7 days of their submission to the Committee
	Development of a service level agreement for legal services	Adoption of a service level agreement for legal services	Adoption of a service level agreement for legal services	Not achieved Draft SLA for dplg wide use drafted
Corporate secretariat	Development of dplg annual report for the 2004/5 financial year	2004/5 annual report for dplg finalised by August 2005	2004/5 annual report finalised and presented to national treasury in August 2005 and tabled in parliament by 30 September 2005	Achieved Annual report finalised and presented on time
	Establish corporate Secretariat services	Percentage utilisation of EDMS and corporate secretariat web-based application	<ul style="list-style-type: none"> Effective integration of the EDMS with corporate secretariat systems 	Partially achieved Secretariat web-based system completed – data capturing under way EDMS upgraded to include workflow engine
	Maintain and institutionalise corporate secretariat systems	Number of IGR and corporate governance forums facilitated	<ul style="list-style-type: none"> Effective corporate secretariat services to IGR and internal corporate governance forums 	Achieved 2 x PCC 4 x Tech PCC 4 x LG MinMec 5 x Tech MinMec 10 x ExCo
	Develop, implement maintain and institutionalise document quality assurance services and speech-writing services	Percentage utilisation of document quality assurance services and speechwriting services	Writing of speeches on request	Achieved <ul style="list-style-type: none"> Speech writing and editing template developed: Editorial style guide circulated

Programme 1: Administration continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Internal audit and risk management	Develop an internal audit plan for approval by the audit committee and execution thereof	<ul style="list-style-type: none"> • Approval of internal audit plans by 01 April 2005 • Audits performed according to the audit operational plan and timeous submission of reports to management 	<ul style="list-style-type: none"> • Approved Internal Audit Plans • Performance of audits and reports issued to management and audit committee 	<p>Achieved</p> <ul style="list-style-type: none"> • Internal Audit Plans to be submitted to Audit Committee during first quarter of 2006/07 for approval • Nineteen reports have been finalised and submitted to management
	Develop, finalise and implement policies, procedures, and framework	Number of policies finalised Approval by ExCo and audit committee	<ul style="list-style-type: none"> • Audit Committee evaluation framework developed and approved by accounting officer • Risk management policy has been communicated throughout the dplg • Charters reviewed and updated 	<p>Achieved</p> <ul style="list-style-type: none"> • Evaluation framework has been developed • Risk management policy approved and communicated throughout the dplg • Charters to be submitted to the next audit committee (AC) for approval
Internal audit and risk management	Facilitate risk management process	<ul style="list-style-type: none"> • Evaluation framework has been developed and to be submitted to the accounting officer for approval • Risk management policy has been communicated and be submitted to the accounting officer for approval 	<p>Risk awareness programme developed</p> <p>Risk awareness campaign rolled out within the department</p>	<p>Achieved</p> <p>Risk awareness programme developed and rolled out in the Department</p>
	Develop and roll out risk awareness programme	Risk assessment report approved by top management team (TMT) and audit committee	<ul style="list-style-type: none"> • Risk assessment report approved by (TMT) and audit committee 	<p>Achieved</p> <ul style="list-style-type: none"> • Annual risk assessment conducted and strategic risk assessment report approved by ExCo
	Facilitate audit committee meetings and report submission	<p>Number of audit committee meetings facilitated</p> <p>Number of audit reports submitted</p>	<ul style="list-style-type: none"> • Audit committee meeting with feedback as required • Submission of quarterly internal audit and risk management progress report to audit committee 	<p>Achieved</p> <ul style="list-style-type: none"> • Four audit committee meetings have been effectively facilitated during financial year



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Communications	Develop and implement communication strategy	Availability of approved communication strategy by 31 December 2005 Percentage of positive opinion from national, provincial, and local government • Percentage of positive opinion from key stakeholders and experts	Approval of communication strategy and report rolled out • Number of stakeholders informed	Achieved 2005/06 strategy completed • Communication strategy approved by TMT and rolled out to key stakeholders in the three spheres of government, communicators as well as project consolidate municipalities and communities 70% estimated stakeholder reached • LGCS (local government communication system) roll out in progress majority of provinces covered with workshops 100%
	Develop and adopt communication strategy and an effective communication plan	Developmental programmes information made available to: media, public, province, municipalities and other relevant stakeholders	Develop and adopt communications strategies and action plans for various dplg programmes including project consolidate	Achieved campaign • Scripts completed for community radio station campaign • Marketing and communication support provided to the launch of an eco-tourism anchor project in Alfred Nzo
	Profiling strategy for the department and the ministry rolled out and implemented	Developmental programme information available to: • Media • Public • Provinces, etc	• The dplg brand and sub-brands are positioned and well marketed	Achieved • Minister and Department were profiled on various media as well as print and electronic media, Izimbizo, newsletters and brochures, communications clusters, etc • Brand awareness generated through cumulative branding efforts during the year
		Develop and adopt marketing strategy by 30 June 2005	Development and implementation of marketing strategy	Not achieved • Marketing strategy development in progress
Human resource management and development	Competency profiles reviewed and finalised	100% competency profiles per post by 31 July 2005 Approved workplace skills plan	Competency profiles per post compiled • Competency assessment per individual employee conducted • Personal development plans per individual employee in place	Achieved • Competency profiles finalised • Workplace skills plan approved, submitted and implemented
	Senior management leadership development programme (SMLDP) implemented	Percentage of SMS who completed the SMLDP	Consensus by senior managers in respect of the learning outcomes of the SMLDP for 2005/06 • Service providers appointed and Module 1 of SMLDP presented • Report on percentage attendance submitted	Achieved • Critical competencies for SMS identified and confirmed • Draft leadership and management development model in place • Orientation Programme for SMS in place

Programme 1: Administration continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Performance agreements developed and implemented	All performance agreements (PAs) aligned to the organisational strategy and business plans	Report submitted on the number of workshops conducted in respect of PMDS and development of performance agreements (PAs) Status reports reflecting compliance submitted to branch heads and QRM	<ul style="list-style-type: none"> Partially achieved Information sessions on the performance management development system (PMDS) conducted 80% performance agreement (2005/06) completed 98% performance assessments (2004/5) for levels below SMS conducted
	Regular performance reviews in line with PMDS and rewarding of excellent performance	Quarterly reports in respect of level of adherence to the PMDS	Report on the analysis of the results of the annual individual performance evaluation for 2004/5 financial year	Achieved Performance assessments for the 2004/5 financial year finalised
	The safety and health of all employees ensured in line with the Occupational Health and Safety Act	Percentage improvement based on the status quo report	Review of policy and report to Department of Labour	Achieved <ul style="list-style-type: none"> The safety and health of all employees was ensured in line with the OHS Act. No significant reports to the contrary
	Wellness programme developed and fully implemented	Wellness programme developed by 30 June 2005 and fully implemented by 31 March 2006	Approved wellness programme for 2005/06 <ul style="list-style-type: none"> Wellness programme implemented 	Achieved <ul style="list-style-type: none"> Wellness programme approved and implemented EAP policy developed
Administration/CFO	Provide appropriate logistical support and information	Application of procurement policy	Procurement services provided	Achieved <ul style="list-style-type: none"> Procurement services provided in accordance with procurement policy and full logistical support given to project consolidate
Administration/CFO	Provide staff with sufficient working space under one roof	Department settled in one building	Movement to Pencardia undertaken	Partially achieved Maximum accommodation obtained at Pencardia but insufficient to accommodate the entire department
Information technology and management	Comprehensive QRM and management information system developed and maintained	QRM information management system operational	<ul style="list-style-type: none"> Maintain MIS 	Achieved QRM system maintained



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	PC website established and knowledge base developed and implemented	PC knowledge base developed and implemented Equipment and infrastructure provided Stakeholders linked to infrastructure Security policy on PC systems Infrastructure maintenance reports	Maintenance of PC website	Achieved Knowledge base on intranet and PC website maintained Logistical support and IT infrastructure provided and maintained
	Availability and implementation of effective systems to support service delivery Establish IT training infrastructure	Percentage availability and implementation of effective systems to support service delivery	Intranet functional and systems supported Training centre established and fully utilised	Achieved IT systems developed, supported and maintained Training infrastructure established and fully utilised
	IT systems aligned with organisational needs	Percentage utilisation of systems provided continuous improvement and user friendliness of systems	IT systems updated as per response programme	Partially achieved Commissioned systems operational and need project closeout
	Comprehensive customer relationship management system implemented and utilised	Turn around times assessed for system implementation	Reports from call centre provided Timely response to requests	Achieved IT reports provided quarterly Timely response to requests have been maintained

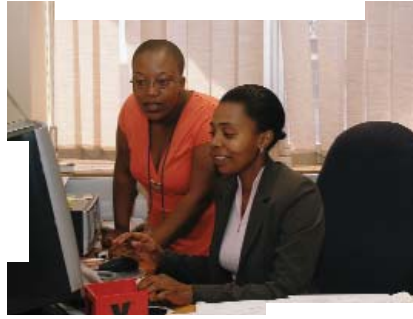
2.2.5 Programme 1: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Minister	843	837	6
Deputy minister	654	649	5
Management	6 081	6 076	5
Corporate services	69 315	68 787	528
Monitoring and evaluation	13 405	13 376	29
Government motor transport	734	607	127
Special function: Authorised losses	42	42	0
Total	91 074	90 374	700

Programme 1: Administration continued

2.2.7 Programme 1: Economic classification budget and actual expenditure

	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees	41 361	40 877	484
Goods and services	44 895	44 895	0
Interest and rent on land			
Financial transaction in assets and liabilities	42	42	0
Unauthorised expenditures			
Transfer and subsidies to:			
Provinces and municipalities	125	125	0
Departmental agencies and accounts			
Universities and technikons			
Foreign government and international organisations			
Public corporations and private enterprises	182	177	5
Non profit institutions			
Households	16	16	0
Gifts and donations			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment	4 214	4 088	126
Cultivated assets			
Software and other intangible assets	239	154	85
Land and subsoil assets			
Total	91 074	90 374	700



During the 2005/06 financial year, the Programme successfully managed to achieve the strategic goals with regard to all the Internal Audit and Risk Management plans and charters, and further institutionalisation of best audit practices in the Department.

The implementation of the least cost routers also resulted in a 34% saving with regard to telephone costs

Programme 2: Governance, Policy and Research



Deputy Director-General: Mr D Powell

2.3.1 Purpose

The programme outputs focus on providing policy advice and research support for the development and monitoring of intergovernmental relations and the performance of provincial government; provincial-municipal relations; integrated development planning; local economic development; the institutions of traditional leadership and international and donor relations.

2.3.2 Measurable Objectives

Maintaining key objectives is geared towards effective and predictable intergovernmental relations between national government, provincial government and municipalities to improve governance in accordance with government's five-year programme of action by developing and implementing policies, systems and programmes of support.

2.3.3 Service Delivery Objectives and Indicators

The majority of outputs for the 2005/06 financial year were achieved or registered substantial progress against targets. Strategic (i.e. external) influence was demonstrable in regard to, inter alia, the enactment of the Intergovernmental Relations Framework Act, (Act No. 13 of 2005) the completion of IDP Reviews in all provinces, the promulgation of provincial legislation on traditional leadership, the adoption by Southern African Development Community (SADC) Council of the proposal to establish a SADC Desk on local government, providing profiles to Presidential and municipal Izimbizo and Project Consolidate, organising specific municipal events; and contributing to a review of the first term of Local Government. A significant number of proposals/reports in these areas were submitted to, and adopted by the PCC, Local Government MinMEC, Budget Forum, FOSAD Cluster, the Presidency, and Cabinet. Substantial support was provided to the Policy Coordination Advisory Services (PCAS) with regard to planning alignment, the National Spatial Development Perspective (NSDP) Review and the Accelerated and Shared Growth Initiative ASGI-SA. Inputs on IDP were provided to SALGA for their handbook on councillor induction.

Progress was substantial on the Local Economic Development (LED) Framework and the Urban Development Framework

(in support of the Presidency). The strategic approach in respect of both outputs has however been revised, which has resulted in a shift in targets and approach into the following financial year.

The development of a Policy Framework on Khoisan Traditional Leadership has not been achieved. Although research and consultation reached an advanced stage, the complexity of the work meant that the target was not met during the financial year. Outstanding work is expected to be completed early in the new financial year.

During the last quarter, the plan for the 2006 IDP process was finalised after intergovernmental consultations, and the first phase (IDP assessments) was organised.

2.3.4 Programme Developments:

This Programme is divided into five sub-programmes:

2.3.4.1 Intergovernmental Relations

The focus of this sub-programme is on developing policy on intergovernmental relations. Targets for the financial year were met, which included the promulgation of the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005) and gazetting guidelines for the assignment of powers and functions to local government. In addition, comprehensive profiles of more than fifty municipalities were developed for the Presidential *Izimbizo* Programme.

2.3.4.2 Developmental Planning

The primary focus of the sub-programme was on conducting a National review of municipal Integrated Development Plans, and promoting better alignment with the Provincial Growth and Development Strategies, and the National Spatial Development Perspective. Targets were completed in all three areas: IDP hearings were held in all provinces, the report of which was submitted to Cabinet and informed the Presidential *Izimbizo* Programme; guidelines on aligning development planning were developed in conjunction with the Policy Coordination and Advisory Services in the Presidency. In addition, the department developed an Urban Development Framework in conjunction with the Presidency.



2. 3.4.3 Local Economic Development

The purpose of the Local Economic Development (LED) sub-programme is to develop a government-wide policy implementation strategy framework for LED and to support the three spheres of government in the implementation of LED initiatives. During the financial year, the sub-programme completed a draft LED Strategic Framework, deployed technical support programmes to several municipalities, and contributed to the development of the Accelerated and Shared Growth Initiative of South Africa (ASGI-SA).

2. 3.4.4 Traditional Leadership and Institutions

The primary focus of this sub-programme was to implement the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003) and to develop a policy framework on matters pertaining to the Khoisan people. Substantial

progress was registered in both areas, including the adoption of legislation giving effect to the framework legislation by the six affected provinces.

2. 3.4.5 International and Donor Relations

During the year 2005/06 the sub-programme International and Donor Relations focused on developing and introducing standard operating procedures governing the management of donor programmes and funds, supporting the establishment of a local government desk in SADC, and supporting various bi-national agreements, most importantly the South African effort to support democracy and transformation in the Democratic Republic of Congo. The operating procedures were completed and introduced, proposals on the SADC Desk were approved by the SADC Council, and an intensive support programme to the DRC was introduced.

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Intergovernmental relations	IGR Act enacted and communicated	Intergovernmental relations framework act promulgated	Enactment of Bill by July 2005	Achieved Act promulgated in August 2005
	Review of powers and functions	Baseline assessment	Completion of baseline study	Achieved Baseline study completed; preliminary proposals adopted by Cabinet; and issues papers completed
	Assignment guidelines	Guidelines gazetted	Guidelines gazetted by March 2006	Achieved Guidelines gazetted for public comment
	Support establishment of IGR structures in provinces	Establishment of provincial IGR structures	Support to provinces and districts during establishment	Achieved IGR structures established in all provinces established in terms of act
	Profiles of municipalities developed for presidential <i>Imbizo</i>	Profiles completed as required	Profiles completed as required	Achieved 90 municipal profiles prepared
	Establishment of SADC desk on local government	Agreement on SADC protocol	SADC agreement on establishment of desk in 2005/06	Achieved Proposed structure for desk approved by SADC Local Government Forum in January 2006 and by SADC Council in February 2006

Programme 2: Governance, Policy and Research continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Support to the DRC-SA Bi-national	DRC bi-national	Develop and implement programme of action in 2005/06	Achieved MOU signed on 16 March 2006. Draft programme agreed
	Operational plan for ODA	Operational plan introduced	Plan developed and introduced by April 2005	Achieved Standard operating procedures for managing funds adopted as dplg policy
Development planning	IDP Reviews and alignment of national, provincial and local strategies	Completion of engagements in all provinces and a report produced on alignment strategies	IDP engagements held in all provinces and report produced by July 2005	Achieved Engagements were held; report submitted to Cabinet; and strategy for 2006/07 engagement finalised: 80% Draft IDPs submitted by March 2006
	Alignment of PGDS, IDP and NSDP	PGDS assessment and NSDP review commenced	Pilot alignment through IDP reviews by July 2005	Achieved Alignment examined in nine provinces during process
Development planning	Alignment of PGDS, IDP and NSDP	Develop PGDS guidelines and assess PGDSs by 31 March 2006	Develop PGDS guidelines and assess PGDSs by 31 March 2006	Achieved Guidelines developed; and nine PGDSs assessed
		Support PCAS to revise NSDP and finalise municipal pilot programme	Support PCAS to revise NSDP and finalise municipal pilot programme	Achieved Joint Task Team revised NSDP and completed plan for five municipal pilots; and NSDP submitted to January Cabinet <i>Lekgotla</i>
	Urban development framework	Submit urban development framework to Minister by 31 March 2006	Submit urban development framework to Minister by 31 March 2006	Partially achieved Framework completed: Overall approach to be revised
Traditional leadership and institutions	Policy on role of Khoisan traditional leadership in governance	Provincial acts promulgated	Finalisation of policy by July 2005	Not achieved Policy process under way
	Traditional Leadership and Governance Framework Act (2003) implemented	Finalise options for funding local houses by 31 March 2006	Finalise options for funding local houses by 31 March 2006	Not achieved Funding options undergoing refinement subsequent to MTEC 2005
			Promulgation of provincial legislation by November 2005 as per PCC decision	Achieved All six provinces promulgated legislation within timeframe



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Local economic development	Implementation of LED strategy	Strategy framework completed and communicated by July 2005	Communicated within government by July 2005	Partially achieved Draft framework completed and aligned to ASGI-SA; and proposals adopted by January cabinet Lekgotla as part of LG review
	National LED forum	Forum established to forge IGR approach to LED, and meets quarterly	Forum established to forge IGR approach to LED, and meets quarterly	Achieved Forum met quarterly: Monitored progress on EU Programme in KZN, Limpopo and EC
	Technical support to municipalities	Technical support experts in place to assist municipalities	Technical support experts in place to assist municipalities	Partially achieved Support in KZN, EC, and Limpopo through EU programme. Two experts employed at national level GTZ support in Mpumalanga confirmed LED toolkit at advanced stage of development PGDS support provided to provinces to assist with growing local economies Economic analysis in URD nodes under way

2.3.6 Programme 2: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation (R'000)	Actual expenditure (R'000)	Savings (R'000)
Management	1 193	1 193	0
Intergovernmental Relations	6 203	6 185	18
Development Planning	4 583	4 520	63
Local Economic Development	2 007	2 005	2
Traditional Leadership	5 758	5 757	1
International Donor Relations	4 497	4 493	4
Total	24 241	24 153	88

Programme 2: Governance, Policy and Research continued

2.3.7 Programme 2: Economic classification budget and actual expenditure

	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees	15 184	15 106	78
Goods and services	8 930	8 930	0
Interest and rent on land			
Financial transaction in assets and liabilities			
Unauthorised expenditures			
Transfer and subsidies to:			
Provinces and municipalities	56	46	10
Departmental agencies and accounts			
Universities and technikons			
Foreign government and International organisations			
Public corporations and private enterprises			
Non profit institutions			
Households			
Gifts and donations			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment	71	71	0
Cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Total	24 241	24 153	88



Through this “hands-on” support we managed to mobilise resources and expertise from across the governmental, state-owned enterprises and private sectors. The deployment of Service Delivery Facilitators (SDFs) proved to be instrumental in key successes recorded in many municipalities across the country.

Programme 3: Urban and Rural Development



Deputy Director-General: Ms M Molapo

2.4.1 Purpose

Manage, co-ordinate, monitor and measure the effectiveness of the integrated implementation of the urban renewal programme and the integrated sustainable rural development programme across all spheres of government.

2.4.2 Measurable objective

Improve service delivery and development opportunities in the nodal municipalities of the urban renewal programme and the integrated sustainable rural development programme by implementing and maintaining alignment and integration protocols across all spheres of government.

2.4.3 Service delivery objectives and indicators

The Programme URD provided guidance to improve coordinated planning and implementation in the nodes, by producing Implementation Frameworks for the two Programmes as well as Guidelines for Sector Participation. Sector support to the nodes, from provinces and National departments are showing signs of improvement – assisted by the work done with sectors to implement the planning and financing protocol for the nodes. However achievements in this regard are below expectations. Working with provinces to institutionalise their support to the nodes will receive stronger attention from the department in 2006.

Capacity has been deployed to the rural nodes through the Independent Development Trust (IDT). For the urban nodes, a support facility has been designed, funding has been secured and work will continue to operationalise this facility in 2006.

Strategic economic development in the rural and urban nodes still remain a challenge, but the partnership set up with the Business Trust in this financial year, will result in the development of detailed economic profiles for each node in 2006/07. Some success has been achieved with external donor support to the nodes, with funding secured for 4 years for the two Eastern Cape urban nodes.

The Monitoring and Evaluation (M&E) Framework for the ISRDP/URP has been finalised and approved by the department's EXCO. The operationalising of this framework will be done in 2006/07. The unit achieved all its reporting commitments to Cabinet Lekgotla, both in terms of quality and quantity – comprehensive progress reports were submitted twice in the year and the 1st preliminary impact assessment of the rural nodes was conducted. The National Coordination Forum was convened quarterly, attended by at least 80 participants from the nodes, the provinces and national departments. Work on the documenting of lessons learnt in the Urban Renewal Programme is complete, while the publishing and distribution of this study will be done during 2006. Completing the capacity audits for the rural and urban nodes will be given attention in 2006.

Most of the communication targets were met. Two editions of both the Urban News and the Rural Focus newsletters were produced and distributed and the nodes were provided with marketing and communication support during the launching of projects, visits of political champions as well as during nodal road shows and Izimbizo.

2.4.4 Programme developments:

This Programme is divided into four sub-programmes:

2.4.4.1 Urban Renewal Programme Management

The sub-programme focused on institutionalising and codifying existing practice to provide guidance on more effective implementation of joint-government programmes in the urban townships. An Implementation Framework, and a Manual for Operational Managers were developed to guide planning and implementation. These guides will be published in 2006/07. The unit facilitated the confirmation and participation of political champions in their respective nodes and successfully facilitated donor support to two urban nodes in the Eastern Cape Province and donor support for a national technical support facility. Work on detailed economic profiles for each of the urban nodes has also commenced and these profiles will assist with more strategic public and private sector economic investment in the future.



2.4.4.2. Urban renewal: Monitoring and evaluation

The sub-programme Urban Renewal Monitoring and Evaluation focused on the establishment of monitoring, evaluation and reporting systems for the Programme to enable credible progress reporting, evaluation of impact and documenting of lesson learnt to inform government policy and practice. Comprehensive progress reports on the urban nodes were submitted to Cabinet in July 2005 and January 2006, a capacity audit of the nodes is being undertaken to assess capacity needs and the first documenting of lesson learnt in the urban nodes is completed, being prepared for publication. The National Coordination Forum was convened quarterly to obtain commitments from partners and to act as a learning platform between stakeholders. Community road shows in Inanda Ntuzuma and KwaMashu (INK) and Mdantsane, attended by a large number of community members, was supported and two editions of the Programme newsletter, Urban News, was published in the year.

2.4.4.3. Rural development programme management

The sub-programme Integrated Sustainable Rural Development aims at ensuring that nodal areas attain internal capacity for integrated and sustainable development and at the same time transform the nodes into economically viable, socially stable and harmonious entities. The sub-programme is also focused on capacitating role-players across the three spheres with skills in order for them to contribute effectively to the implementation of the Programme – to this aim the National Coordination Forum was convened on a quarterly basis. Through the Independent Development Trust (IDT), technical support was deployed to all rural nodal municipalities. The ISRDP implementation framework has been developed through consultation with stakeholders – this will form the basis for integrated service delivery by the three spheres of government in the nodes.

2.4.4.4. Integrated sustainable rural development programme: Monitoring and evaluation

The main focus of the sub-programme ISRDP: Monitoring and Evaluation is to operationalise the monitoring, evaluation and reporting systems and the information management system for the ISRDP. The reporting format for the nodes was revised and has resulted in improved quality of nodal reports. Comprehensive progress reports for all rural nodes were produced and submitted to July 2005 and January 2006 Cabinet Makgotla. Analysis was done of preliminary impact in the rural nodes. An enhanced website, which will also serve as an information management system, has been developed will be activated in this year. Guidelines for Programme participation by sector departments have been produced and disseminated to provinces and sector departments.

Programme 3: Urban and Rural Development continued

2.4.5 Service delivery achievements

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
URP/ISRDP programme management	ISRDP and URP financing protocol	Financing protocol operationalised and approved by 31 December 2005	Financing protocol interventions presented to dplg management, and FOSAD clusters achieved	Cabinet approved the approach to planning and funding of the nodes. During the financial year, FOSAD clusters (G&A, SSC, EE, JCPS) adopted a set of cluster specific interventions The nodes submitted priority projects for funding and these were forwarded to the relevant national sector departments for consideration in their planning and budgeting processes
	Cluster nodal intervention strategies 2006/2007 to 2009/2010	Percentage involvement PoA by FOSAD clusters, national and provincial in the nodes	Cluster nodal intervention projects presented at MTEC, indicators for cluster nodal interventions developed	Achieved Financing protocol FOSAD cluster interventions finalised including business plans to operationalise and monitor the same Project specific interventions for national sector department completed Progress report prepared for submission to January 2006 Cabinet Lekgotla on financing protocol FOSAD cluster interventions and project specific interventions for national sector departments
	ISRDP and URP implementation frameworks	Develop implementation framework by 30 September 2005	Guidelines for participation in ISRDP and URP by national and provincial departments published (1st edition) Guidelines for participation in ISRDP and URP by national and provincial departments operationalised Forums for ISRDP/URP coordination convened	Achieved The implementation framework for the ISRDP and that for the URP is completed and being prepared for publication Guidelines for sector participation was completed and distributed to all national and provincial sector departments A practical guide for URP operations managers is completed The National URP and ISRDP coordination Forum was convened quarterly, contributing to enhancing sector support to the nodes IDP hearings were conducted in all nodes



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Optimised role-player capacity and capability in respect of ISRDP and URP (through project consolidate)	Impact assessment of enhanced nodal capacity	Capacity and capability audit for ISRDP/URP Nodes i.r.o planning, implementation and monitoring and evaluation, reporting functions	Not achieved The capacity audit for the URP is 50% complete and that for the ISRDP is at design stage Successful lobbying for donor funding to provide hands-on support to urban nodes, effective from 2006/2007 The IDT continues to provide technical support staff to all rural nodes, located at district level
URP/ISRDP M&E	ISRDP and URP best practice lessons sharing sessions	Number of best practice lessons documented, distributed and replicated Third party endorsement of ISRDP/URP	Nodal best practice studies/ research undertaken MoUs entered into between dplg and partners	Achieved The first URP lessons learnt study completed and being prepared for publication Lessons learnt documented as part of the LG Review report submitted to cabinet in January 2006 Partnership between the dplg and business trust secured and financial resources allocated by BT to do detailed economic profiles in all the 21 nodes during 2006/2007
	<ul style="list-style-type: none"> Progress reports aligned to external reporting requirements (FOSAD clusters/cabinet/ GDS/POA) 	Quarterly update of cluster progress cards Progress reports prepared and submitted to the July 2005 and January 2006 cabinet <i>Makgotla</i>	FOSAD clusters/cabinet/GDS/PoA progress reports Cabinet reports submitted twice a year Report produced for SSC media briefing Report produced for portfolio committee workshop	Achieved All cluster reporting requirements met with respect to POA. A comprehensive progress report on ISRDP and URP prepared for cabinet <i>Makgotla</i> , July 2005 and January 2006 reports produced for SSC media briefing, as well as for portfolio committee, on 2005/2006 progress and 2006/2007 priorities

Programme 3: Urban and Rural Development continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	ISRDP and URP monitoring and evaluation framework ISRDP and URP management information system	Develop and integrate M&E system MIS developed and functional	Final draft consultations done and submitted to EXCO for approval M&E framework approved by EXCO and now ready for operationalisation The design of the information management/knowledge management framework and systems delayed new website [80%] complete	Not achieved M&E framework completed, approved by EXCO and plans are in place to operationalise The new website is now 80% complete, but the overall info management framework and systems delayed
	Analytical reports and data on ISRDP and URP	Best practice document compiled Impact assessment of the implementation of Nodal programmes by clusters	Best practice document compiled	Achieved The best practice/lessons learnt study for the URP is completed – final editing, layout, printing and publishing planned for completion in 2006 Preliminary nodal impact assessment report prepared for submission to January 2006 Cabinet <i>Lekgotla</i>
	Reporting protocol for ISRDP and URP in respect of internal dplg programmes built into QRM report • Reporting protocol for ISRDP and URP in respect of external programmes	Quality of Nodal reports	Branch programmes performance reports for Nodes External programmes performance reports for Nodes	Achieved Reporting guidelines for nodal and sector reports available and Programme performance reports submitted on time
	ISRDP AND URP communication and marketing campaigns and events	Impact assessment of communication programmes	Youth day/month campaign: Radio talk shows Seminars and debates Women's day/month campaign	Not achieved The community radio station campaign has experienced delays with implementation, but preparations are in place. All targets for print communication achieved, with publishing of two editions of the ISRDP and URP newsletters and production of a poster of political champions
	ISRDP and URP public awareness campaigns ISRDP and URP nodal political champion visits	Assessment of level of public awareness of Nodal programmes Third party endorsement of Nodal programmes	Support to political championship visits Communication support to <i>Imbizos</i>	Achieved Successful media campaigns ran for political champion visit to Motherwell and Okhahlamba Briefing session held on URP/ISRDP/PC with DoC SOEs Targets achieved in terms of quality and quantity in respect of project consolidate and nodal political visits



2.4.6 Programme 3: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Management	1 747	1 745	2
Urban renewal	1 183	1 162	21
Urban renewal: Monitoring and evaluation	1 821	1 799	22
Rural development	1 639	1 639	0
Integrated sustainable rural development programme: Monitoring and evaluation	1 963	1 963	0
Total	8 353	8 308	45

2.4.7 Programme 2: Economic classification budget and actual expenditure

	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees	4 995	4 988	7
Goods and services	3 331	3 296	35
Interest and rent on land			
Financial transaction in assets and liabilities			
Unauthorised expenditures			
Transfer and subsidies to:			
Provinces and municipalities	18	15	3
Departmental agencies and accounts			
Universities and technikons			
Foreign government and international organisations			
Public corporations and private enterprises			
Non profit institutions			
Households			
Gifts and donations			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment	9	9	0
Cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Total	8 353	8 308	45

Programme 4: Systems and Capacity Building



Deputy Director-General: Mr Elroy Africa

2.5.1 Purpose

Provide capacity-building and hands-on support programmes to local government. Provide a national disaster management centre. Promote intergovernmental fiscal relations. Regulate and monitor the local government institutional and administrative framework.

2.5.2 Measurable objectives

A sustainable system of local government that fosters integrated development and service delivery through monitoring and support for capacity building and developing systems.

2.5.3 Service delivery objectives and indicators

Highlights for the year include: a successful Municipal Finance Indaba and publication of the first set of Municipal Property Rates Act, 2004 (Act no. 6 of 2004) regulations and guidelines; the deployment of Service Delivery Facilitators to identified municipalities; a generally positive review of the EU Local Government Support Programme; successful Local Government Elections, cross boundary municipalities eliminated and Disaster Management Regulations passed; the pilot roll-out of the LG Anti-Corruption Programme in a number of provinces and development of a revised MLDP funding model.

One of the key pillars in the provision of “hands-on support”, in line with the Project Consolidate initiative, is the mobilisation and deployment of technical expertise to provide support/ advice to municipalities. This approach has been implemented by a number of stakeholders within government and its partners. Some of the stakeholders that have deployed expertise include National Treasury, the Development Bank of Southern Africa (DBSA) and donors. Within **dplg**, some of the technical expertise deployed has been in the form of Service Delivery Facilitators (SDFs). The mandate for the SDFs is to conduct a thorough situational analysis in order to understand the underlying causes of the challenges facing the municipalities, and with planning specific support

interventions. SDFs are also expected to interact with various departments at national and provincial level, as well as the state-owned enterprises and the private sector, to mobilise the necessary resources and expertise to ensure the successful implementation of the Project Consolidate interventions. Between June and October 2005, 12-full-time billing SDFs were deployed to municipalities across the country. Since their deployment, some achievements can be highlighted, such as the facilitating the provision of basic services to communities.

2.5.4. Programme developments:

This Programme is divided into seven sub-programmes:

2.5.4.1 Intergovernmental fiscal relations

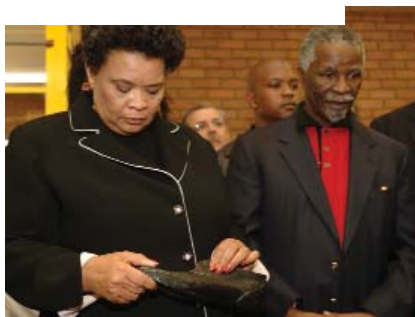
The sub-programme Intergovernmental Fiscal Relations focuses on the development of a policy and regulatory framework for municipal finance. In this regard, guidelines and draft key regulations on the Local Government: Municipal Property Rates Act, 2004 have been completed and consultation with stakeholders is taking place.

2.5.4.2 Local government administrative systems

The sub-programme Local Government Administrative Systems focuses on finalising policy to further support the system of local government. In this regard, legislation to do away with cross-boundary municipalities was passed and implemented.

2.5.4.3. Capacity building systems

The sub-programme Capacity Building Systems focuses on assessing the capacity of municipalities with a view to develop targeted capacity building programmes for different municipalities. A Capacity Building Framework and Strategy document was developed. The purpose of the framework is to establish an integrated capacity building vision to steer capacity building strategies towards enabling municipalities to fulfil their constitutional duties and to perform their powers and functions.



2.5.4.4. Disaster management

The sub-programme Disaster Management focused on a strategy for the implementation of the Disaster Management Act, 2002 (Act No.57 of 2002), as well as the development of a National Framework and Regulations in terms of the Act. Workshops to populate the National Strategy for the Implementation of the Disaster Management Act were held in all Provinces and with national sector departments.

The integrated disaster management information system has been developed and is nearing completion. A Government-to-Government agreement between South Africa and Sweden was entered into on 28 June 2005. This document addressed collaboration between the two countries in the field of disaster management and provides for software tools, provided free of charge. The agreement also allows for the utilisation of these through all organs of state. Flowing from the agreement, a pilot project has commenced in the Eastern Cape Province.

The following disasters or disaster related incidents occurred during the reporting period:

- Veld and forest fires in the Limpopo, Mpumalanga, Free State, KwaZulu-Natal, Eastern Cape provinces.
- Drought prevailed throughout the country for the most of the year and an amount of R311 million was provided to municipalities for drought relief purposes.

2.5.4.5. Performance management and monitoring systems

The sub-programme's main focus is to enhance the performance of local government through the implementation of Performance Management Systems in municipalities. The 2005 Municipal Performance Excellence (Vuna) Awards were postponed due to preparations for the Local Government Elections.

2.5.4.6. Municipal Leadership Development Programme

The sub-programme Municipal Leadership Development Programme (MLDP) focuses on the improvement of the quality and effectiveness of leadership at this level. A qualification was developed and registered with the South African

Qualifications Authority (SAQA) in November 2005; a National Certificate in Leadership Development at National Qualifications Framework (NQF) Level 4, which will form the basis for the development of the MLDP. Funding and collaboration with the Local Government Sector Education and Training Authority (LGSETA) has been secured.

The MLDP also coordinated initial work done towards the comprehensive Skills Audit to be conducted at Local Government level for which funding and collaboration with the LGSETA was secured. This resulted in two reports being developed, the first being the Local Government Skills Audit: Review of existing Data and Reports. The second, entitled: Local Government Skills Audit: Preliminary Assessment of the Skill Requirements for Senior Managers, contains eleven occupational competency profiles at senior manager post level, a managerial competency framework for senior managers and ten skills development case studies of municipalities.

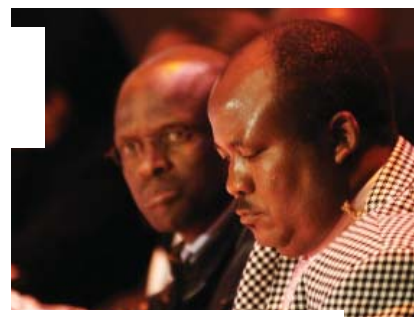
2.5.4.7. Local government anti-corruption

The sub-programme Local Government Anti-Corruption focused on developing strategies designed to combat and prevent corruption at local government level. The implementation of the Local Government Anti-Corruption campaign does not only uncover and eradicate all forms of corruption in local government but is also structured to forge strategic partnerships with government agencies, municipalities, Ward Committees and all other key stakeholders necessary to lead and support the actions required to achieve transparency and promote sound ethics.

Programme 4: Systems and Capacity Building continued

2.5.5 Service delivery achievements

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Intergovernmental fiscal relations	Billing system initiative implemented	Implement dependable billing systems	Service delivery facilitators (SDFs) appointed to the targeted municipalities on the billing initiative	Achieved, 12 senior managers appointed to representative pilot municipalities to conduct research, analyse the current billing systems, provide recommendations on a new system and oversee the implementation thereof Six metros and Buffalo City (which account for 70% of the total accumulated debt) municipal arrears have been analysed to ward strategies to reduce and manage municipal services debt in these municipalities are finalised
	Finalise and implement the revised Local Government Equitable Share (LGES) formula	Revise and finalise LGES formula by July 2005	To develop indicators and variables to further conceptualise the development component in the revised LGES formula	Partially achieved Impact study of LGES on PC municipalities identifying key technical aspects on how the development component should be taken forward, has been finalised and submitted to National Treasury
	Disburse equitable share allocations Municipal systems grants	Rand value of equitable share allocations correctly disbursed Rand value of municipal systems grants correctly disbursed	100% (R10 billion) LGES allocations transferred to all 284 municipalities as scheduled 100% (R200 million) MSIG transferred to qualifying municipalities	R10 billion paid to all municipalities as scheduled (100% transferred) 100% of the R 200 million transferred
	Support to NT with implementation of MFMA priority areas	Number of municipalities supported on compliance with MFMA	Identified MFMA priority areas for implementation and PC municipalities supported	Not fully achieved Initiated work to align MSA and MFMA, focused support on priority areas in line with PC-An approach to implement within existing dplg support programmes on finance approved
	Develop and implement a finance monitoring and early warning system	Develop and implement finance monitoring and early warning system	Warning indicators framework and integration of the EWI into the municipal transformation monitoring programme (MTMP) database	Draft early warning framework document developed and will be implemented in the next financial year



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Intergovernmental fiscal relation	Develop and implement guidelines	Develop and implement LG finance legislation Percentage LG finance legislation implemented Number of municipalities identified and supported with complying with LG financial legislation Percentage number of municipalities compliant with LG finance legislation	Report on support and intervention plan drafted and submitted First set of regulations gazetted for implementation Second set of regulations gazetted for public comments and implementation Initiated support to all nine provinces with the implementation of the monitoring framework of MPRA	Achieved Developed first set of regulations and published Not achieved Monitoring framework developed and provinces support its implementation
	NT supported towards finalisation of the development of the local government fiscal framework and the replacement funding for RSC levies	Finalise and implement local government fiscal framework Percentage rating – clarity by municipalities on fiscal powers and functions policy on	National treasury supported through possible replacement options for the RSC levies Support provided to DME and national treasury on areas that require further research to give effect to the revised restructuring model based on the cabinet decision Support GPR with implementation of recommendations on powers and functions	Achieved National Treasury supported with inputs for the RSC levy replacement options Recommendations on institutional and governance options for the national regional electricity distributor (RED) submitted to National Treasury Input to the discussion document on proposed powers and functions for category B and C municipalities
	Timeous preparation and submission of annual financial statements by 45 identified municipalities	On time submission of financial statements Number of municipalities submitting financial statements late	Ongoing support to put relevant systems in place for annual compilation of annual financial statements (AFS) Implementation of the GRAP/GAMAP pilot project in 15 selected municipalities	Supported 16 PC municipalities with finance job descriptions Draft comprehensive report on the achievements or impact of the AFS project to the 57 municipalities completed Supported National Treasury with the implementation of the MFMA – 57 non-complying municipalities assisted to submit annual financial statements
Local government administrative systems	Cabinet approval of the local government employment bill	Approval of the local government employment bill	Reach consensus flowing from consultation on the way forward for the bill	Local government employment bill drafted

Programme 4: Systems and Capacity Building continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Develop remuneration framework for municipal councillors	Approval of remuneration framework	To publish the upper limits for councillor remuneration	Draft Notice published on 28 February 2006 New councillor remuneration framework approved by Cabinet and published
	Realign provincial boundaries to do away with cross-boundary municipalities	Cross-boundary municipalities eliminated	Commencement of legislation on 1 March 2006 and facilitating implementation of legislation	Commencement of legislation on 1 March 2006 and facilitated finalisation of implementation protocols. Realigned provincial boundaries
	Support the facilitation of successful local government elections	Successful elections held	Supporting election related activities	Circular on transitional measures after elections prepared and provided to all municipalities by 17 March 2006
Capacity building systems	Compile baseline data on HR in local government and compile generic job descriptions for 80 occupational categories	Implement national capacity framework	Complete consultations with all provinces on data requirements	Data collected. System to be developed
	Develop framework to regulate local government employment	Regulatory framework for local government developed	Draft regulatory framework in place by 31 March 2006	Competency framework for senior managers at local government done. Develop job description for all section 57 managers
	Expand local learnings networks	Implement expanded KSP by December 2005	All 47 district municipalities covered by December 2005	



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Municipal Leadership Development Programme	Improved capacity to assess local government capacity building needs	Finalise and implement the leadership development programme Commence with the development of the first cohort of 5 000 councillors and officials by 31 March 2007 Assess the skill levels of councillors and local government officials at all levels	Partial registration of virtual campus Development of programme material completed Funding from LGSETA committed Communication strategy implemented Tender published: Competency frameworks/profiles/skills audit for senior managers	Municipal leadership development programme: Qualification registered with SAQA Communication strategy finalised Developed a draft competency framework for local government A preliminary assessment of skills required for senior managers and some professional occupational categories in local government has been completed and a draft competency framework compiled The compilation of guidelines for the implementation and piloting of the competency frameworks and profiles completed
Equity and development	Guidelines for involvement of people with disabilities, youth and women in LED projects developed HIV and AIDS leadership development for councillors and officials in selected municipalities	Number of municipalities selected for HIV and AIDS leadership development for councillors and officials	Collaborate with LED Unit to facilitate the development of guidelines Presentation of the HIV and AIDS framework and support programme to EXCO	Not achieved Framework and implementation plan approved Donor support for implementation of the framework solicited
Disaster management	Disaster management plan developed	Develop and submit disaster management plans to national and provincial organs	Request to national and provincial organs of state to submit disaster management plans. Develop a monitoring mechanism	The issue of DM plans has been addressed in the provincial and national workshops. Plans by all organs of state submitted by November 2005. A monitoring mechanism has been developed and forwarded to provinces, municipalities and organs of state.

Programme 4: Systems and Capacity Building continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Commencement with the implementation of the disaster management Act (DMA) with specific reference to the national disaster management framework (NDMF) and regulations in the national and provincial spheres of government	Implement disaster management framework and regulations in national and provincial spheres of government	<p>Strategy for the implementation of the DMA and NDMF work-shopped with national state organs, provinces and municipalities</p> <ul style="list-style-type: none"> • Priority guidelines in terms of the NDMF developed • Disaster management regulations published for comments in Government Gazette and comments received • All nominees for intergovernmental committee on disaster management (ICDM) forwarded to the Minister/President <p>All nominees for national disaster management advisory forum (NDMAF) forwarded to the Minister for appointment</p>	<p>Workshops were held in all the provinces and at National level</p> <ul style="list-style-type: none"> • Process of developing priority guidelines has commenced • Regulations were published in Government Gazette on 9 September 2005 for public comments <p>The nominees for the ICDM have been appointed by the President</p> <ul style="list-style-type: none"> • The appointment of members of the NDMAF will follow as soon as names of nominees have been received from ICDM members
	Monitor of and report on disaster management plans and strategies at national and provincial spheres of government	Number of municipalities with disaster management plans and strategy in place	<ul style="list-style-type: none"> • Request to national and provincial organs of state to submit disaster management plans • Develop a monitoring mechanism 	<p>The issue of DM plans has been addressed in the provincial and national workshops</p> <p>A monitoring mechanism has been developed and forwarded to provinces, municipalities and national organs of state</p>
	Deal with domestic and International disaster as and when they occur	Develop and implement EWS Coordination of and response to disasters	<p>Officially establish an emergency operational committee (EOC)</p> <ul style="list-style-type: none"> • Develop procedures to activate EOC 	<p>The emergency operational committee (EOC) has been established</p> <ul style="list-style-type: none"> • Draft procedures for activation of the EOC developed
	Fire danger index (FDI) warning capabilities	Colour-coded web-based FDI maps with weather forecast and actual fire occurrence location	80% FDI system with integrated cloud cover, wind and weather symbols	80% FDI system with integrated cloud cover, wind and weather symbols (actual fire location (x,y, coordinates outstanding)
		Enhanced SRS alignment to disaster management act reporting requirements and integrated with geographic information system (GIS)	<p>100% SRS reporting requirements aligned to the act</p> <p>20% SRS integrated with GIS</p>	<p>100% SRS reporting requirements aligned to the act</p> <p>10% SRS integrated with GIS</p>
	Vulnerability profile maps	Vulnerability profile maps based on national statistics data	Vulnerability profile maps of a selected rural development node	Vulnerability profile maps in place
Performance management and monitoring systems	Implementation of municipal performance management systems in the targeted project consolidate municipalities	Implement municipal performance system	<p>PMS implementation audit conducted</p> <p>PMS implementation strategy developed</p> <p>Project consolidate municipalities to be supported</p>	<p>Not achieved</p> <p>Framework and scorecard structure developed focusing on five key performance areas</p> <p>The development PMS implementation strategy for local government is under way</p>



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Implementation of municipal performance management systems in all municipalities where PMS is not yet implemented	Fully developed performance monitoring system in place	Review report on the legislative and PMS guidelines Provide targeted PMS technical support to municipalities needing support	Submitted report on areas where there are legal ambiguities between MFMA/MSA
	Annual reports published	Publish annual report Number of provinces where annual report on municipal performance management distributed	Terms of reference developed for the compilation of the national composite report	Submitted report on areas where there are legal ambiguities between MFMA/MSA
	Successful implementation of the Vuna Awards 2005	Implement Vuna awards	Vuna criteria updated Assessor's guidelines updated Application form distributed	Preparatory work initiated, however event postponed due to local government elections
Local government anti-corruption	Fully implemented anti-corruption strategy in selected municipalities	Local Government anti-corruption strategy finalised and rolled out to municipalities	Refinement and finalisation of the strategy including developing the implementation plan	Implemented anti-corruption strategy in 30 municipalities in line with Project Consolidate
	18 PC municipalities implement the programme	Percentage rating impact of the programme	32 PC and seven CMTP municipalities are targeted to benefit from the programme	Programme rolled out to 23 PC and 7 CMTP municipalities

5.6 Programme 4: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Management	1 878	1 872	6
Intergovernmental fiscal relations	21 293	21 288	5
Local government institutional and administrative systems	4 230	4 220	10
Capacity building systems	2 109	1 969	140
Disaster management	41 910	41 884	26
Municipal performance monitoring and support	7 274	7 254	20
Municipal leadership development programme	1 985	1 985	0
Anti-corruption	2 613	2 280	333
Local government equity and development	647	627	20
Total	83 939	83 379	560

Programme 4: Systems and Capacity Building continued

2.5.7 Programme 4: Economic classification budget and actual expenditure

	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees	21 306	21 306	0
Goods and services	54 876	54 371	505
Interest and rent on land			
Financial transaction in assets and liabilities			
Unauthorised expenditures			
Transfer and subsidies to:			
Provinces and municipalities	66	66	0
Departmental agencies and accounts	1 950	1 950	0
Universities and technikons			
Foreign government and international organisations			
Public corporations and private enterprises			
Non profit institutions	4 000	4 000	0
Households	700	700	0
Gifts and donations			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment	999	944	55
Cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Total	83 939	83 379	560



“One of the key pillars in the provision of “hands-on support”, in line with the Project Consolidate initiative, is the mobilisation and deployment of technical expertise to provide support/ advice to municipalities. This approach has been implemented by a number of stakeholders within government and its partners.”

Programme 5: Free basic services and infrastructure



Deputy Director-General: Mr P Flusk

2.6.1 Purpose

The purpose of the programme is to strengthen local government capacity to increase access to basic services, including free basic services for all communities, to enable municipalities to meet their constitutional mandate.

2.6.2 Measurable objectives

The free basic services and infrastructure programme supports local government to enable it to deliver sustainable infrastructure and increase access to basic services including free basic services such as water and electricity.

2.6.3 Service Delivery Objectives and Indicators

Strategic influence has been registered in the delivery of infrastructure and access to basic services. The good governance framework and public participation in municipalities has been strengthened by the launch and publication of a Resource Book and Handbook for Ward Committees.

The recruitment of Community Development Workers has enhanced the availability of government services to people. The approval of the Indigent Policy Framework as part of the social wage package has given impetus to a comprehensive understanding of the indigent and the response that government is giving to the poorest of the poor. Further to that, guidelines for the implementation of the indigent policy have been finalised for the municipalities to develop their tailor made indigent policies. Thus far, 184 municipalities have registered a positive outlook with regard to the indigent registers. This is manifested by the increase in the indigent households having access to Free Basic Water and Electricity, which respectively are 73% and 57%. The nation-wide FBS study looking at the implementation of the FBS at municipal level has also been completed. This is a study where all tools and the development of support to municipalities by sectors will be based.

Universal access to water and sanitation, eradication of the bucket system, provision of electricity to households, access to sport facilities has given hope to millions that the integration of the grants into MIG is making the impact envisaged in the initiation of the Programme.

Public resources alone, cannot meet the infrastructure and service backlogs that municipalities face. The Municipal Service Partnerships Guideline has been finalised and is ready to be distributed to municipalities. These guidelines provide a simple mechanism on how the municipalities should enter into partnerships with other parties, private or public in the delivery of municipal services.

The **dplg** in partnership with the Development Bank of Southern Africa (DBSA) updated the Municipal Infrastructure Investment Framework (MIIF) during the 2005/06 financial year. The MIIF is intended to demonstrate the feasibility of removing infrastructure backlogs by the year 2013. Further, it is intended to assess the conditions, which will impact on the long-term sustainability of municipalities in situations where their service provision obligations are inhibitive.

The modelling results of the MIIF revealed that in order to meet the targets for the delivery on basic services, there should be a mixture of resources such as grants, own sources from the municipalities such as loans, own revenue and investments by the private sector.

2.6.4 Programme developments:

This Programme is divided into four sub-programmes:

2.6.4.1 Municipal infrastructure

The purpose of the Municipal Infrastructure sub-programme is the development of policy, coordination and management of the consolidated Municipal Infrastructure Grant (MIG). The unit's main focus was to provide all South Africans with at least a basic level of service by the year 2013 through the provision of grant funding to municipalities aimed at covering the capital cost of basic infrastructure to the poor. The rollout of the MIG was brought forward by two years and full implementation started in 2004/05. The Municipal Infrastructure Task Team of the Directors-General for the Departments of Water Affairs and Forestry, Environmental Affairs and Tourism, Transport, Public Works, Minerals and Energy, National Treasury and the South African Local Government Association (SALGA) is coordinating the municipal infrastructure activities at national level.



The Municipal Infrastructure Programme is co-ordinated by the Departments of Local Government in the nine provinces. The Project Management Units (PMUs) co-ordinate the implementation of the municipal infrastructure projects in the municipalities.

It has been established that during 2005/06 the municipalities experienced challenges mostly in planning, programme management due to lack of financial, engineering and project management skills. The unit facilitated a Programme whereby 39 retired engineers have been deployed in former cross-boundary municipalities, some of the Project Consolidate municipalities and some of the low capacity municipalities that were receiving MIG funds for the first time. These engineers are mentoring a total number of 15 graduates and 75 students and are also providing hands on support to 90 in-house technical officials in the municipalities.

A project on training on infrastructure asset management in 25 municipalities, which included the students being mentored by the engineers, revealed that it would be advantageous to facilitate a sustainable infrastructure best practice such as the Municipal Infrastructure Asset Management. This aspect will help the municipalities in managing and accounting for their assets.

Various workshops were convened with the purpose of communicating MIG policy framework and business processes and procedures.

2.6.4.2 Free basic services co-ordination

The purpose of the Free Basic Services unit is to manage and coordinate the implementation of the Free Basic Services Policy within provincial and local government. Main achievements recorded this year include the accelerated rollout of Free Basic Services to 73% for Free Basic Water and 57% for Free Basic Electricity to households where infrastructure exists.

There has been a substantial increase of the Free Basic Energy rollout due to an increase of Amps supplied per household. (Increased from 10 Amps to 60 Amps, which allowed indigent households to utilise other basic electrical appliances). A study

on challenges facing the provision of Free Basic Services was undertaken; this was coupled with the establishment of a free basic services Internet portal. The portal will provide a platform for the establishment of a database system to monitor FBS provision in municipalities.

2.6.4.3. Municipal service partnerships

The purpose of the Municipal Service Partnerships (MSP) Unit is to develop and monitor a regulatory framework for services partnerships in municipalities. The unit focused on creating an enabling environment for the establishment of municipal services partnerships through training of councillors and officials. The unit has finalised the Municipal Services Partnership guidelines that should assist and guide municipalities opting for any partnership arrangements.

Municipal services partnership workshops were facilitated in the nine provinces with National Treasury, the Municipal Infrastructure Investment Unit (MIIU) and the Department of Water Affairs and Forestry's joint response task team. There have been nine partnership projects facilitated by the MIIU and one multi-jurisdictional municipal entity established.

2.6.4.4. Public participation and empowerment

The purpose of the Public Participation and Empowerment Unit is to manage and coordinate public participation and empowerment. The unit has focused on ensuring that Ward Committees are established within the prescripts of the Municipal Systems Act, 2000 (Act No 32 of 2000). The sub-programme also coordinated the rapid intake of Community Development Workers in all provinces. To date, 50% of currently established ward committees are functional, and new ward committees have been established in Project Consolidate Municipalities in KwaZulu-Natal and Mpumalanga. A total of 1 340 Community Development Workers are now in learnerships and deployed to various municipalities. This was complemented by a national workshop on public participation, which brought a number of stakeholders together to discuss ways to improve public participation.

Programme 5: Free basic services and infrastructure continued

2.5.5 Service delivery achievements

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Municipal service partnerships	The growth and development summit agreement (GDSA) objectives articulated and communicated	Four reports on the implementation of GDS commitments submitted to NEDLAC	One progress report per quarter on GDS submitted	Achieved All quarterly reports were submitted to the Department of Labour
	Innovative partnerships in service delivery promoted and supported	Number of municipalities supported with innovative partnerships	Five municipalities supported with innovative partnerships	Achieved Supported Ugu District Municipality, and Uthukela, Moshaweng, uMhlathuze and Naledi Municipalities with contract drafting and management
	Support current partnerships and facilitate additional partnerships	Number of innovative projects undertaken Number of MSP workshops conducted	10 municipalities supported on new partnership arrangements Nine MSP workshops on involvement of civil society organisations (CSO)	Partly achieved Supported six municipalities on different service delivery mechanisms Not achieved Due to capacity constraints, the Unit was not able to facilitate the workshops
			Create awareness through workshops in RED1 municipalities Participate in electricity distribution industry (EDI) task teams Participate in electricity distribution industry holdings (EDIH) task teams	Achieved The dplg has fully participated in multi-stakeholder forums that were responsible for the modelling of REDs; the modelling exercise has been completed and feedback from Cabinet on the submitted recommendations is still pending
		Development of MIIU future strategy	Submit the strategy to cabinet Conduct an independent assessment on the impact of MIIU since inception Create knowledge bank on the work of MIIU and institutional memory	Achieved The exit strategy for the MIIU has been developed in consultation with the National Treasury. The DBSA has entered into an agreement with the MIIU on the caretaker arrangements of the Unit Achieved The final draft report has been submitted by the service provider and shall be presented at EXCO for endorsement The project information has been transferred to the dplg . The MSP Unit is in the process of negotiating with the IT Unit to host the MIIU website on dplg website



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Support mechanism for public provision of Services (SUPPS) in municipalities established	Development of SUPPS strategy	SUPPS implementation strategy finalised by March 2006	Achieved SUPPS strategy completed and incorporated into the shared services centre strategy for implementation
	Implementation of section 78 in authorised municipalities	Number of authorised municipalities supported in the implementation of section 78	10 authorised municipalities supported in the implementation of the section 78 process	Achieved (15 municipalities supported)
Free basic services coordination	Establish a baseline for indigent household spending	Rand value allocated for indigent households Percentage/Rand value of FBS spent on indigent households	27% and R2,5 billion of FBS allocation spent on indigent households	Municipalities reported a R4,8 billion expenditure on FBS which is R2,3 billion more than the original target
		5 517 090 of households with access to FBS	50% increase in the number of households with access to FBS	Achieved 4 012 882 (73%) indigent households with access to FBW 3 160 326 (57%) indigent households with access to FBE
	Indigent registers developed and available for all project consolidate municipalities indigent registration drive	Number of project consolidate municipalities with indigent registers	40 of PC municipalities with fully functional indigent registers	Achieved 94 (235%) achieved in the second quarter of the year
	Develop and implement action plan developed integrated communication plan	FBS communication action plan developed	Communication action plan developed by 31 March 2006	Achieved Communication action plan finalised roll-out to commence during 2006/07
	Develop and implement an M&E system	Develop and implement an M&E system	M&E system developed by 31 March 2006 Launch of the FBS portal system	Not achieved First phase of the M&E system completed with the launch of the FBS Portal Roles and responsibilities of system users clarified
Municipal infrastructure	MIG managed to enable 300 000 households access to basic sanitation and 450 000 households have access to water	Provide 300 000 households (hh's) with access to basic sanitation 450 000 households have access to potable water	300 000 households with access to basic sanitation by 31 March 2006 450 000 households with access to potable water by 31 March 2006	Partly achieved 219 702 (73%) households have been served A total of 458 561 hh served as at end of March 2006

Programme 5: Free basic services and infrastructure continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	R5,4 billion transferred to and spent by municipalities by 31 March 2006	Amount transferred and spent by municipalities	R5,4 billion	Achieved R5,4 billion transferred and R3,9 billion spent as at 31 March 2006
	Final project registration lists of projects to be funded in 2006/07	Commitments of R6,2 billion to projects	100% Projects to the value of R6,26 billion for implementation during 2006/2007 financial year	Partly achieved 70,2% committed
	Functional backlog monitoring system	Coordinate infrastructure development and maintenance Infrastructure service delivery modelling report	Completion of the infrastructure development and maintenance module Modelling report completed	Not achieved Delay in systems development due to prioritisation of system workflow and changes to the MIG registration form Achieved Report completed
	159 municipalities complying with DORA	Number of municipalities who qualify for MIG funding comply with DoRA requirements	159 municipalities comply to DORA	Achieved 159 municipalities comply to DORA
	MIG managed to create 40 000 Jobs at municipal level	Number of jobs created through EPWP funded through MIG Number of jobs created through EPWP	40 000 jobs created from EPWP projects funded by MIG	290 registered MIG Projects Captured as EPWP projects with a total MIG value of R1 341,28 million 17 584 599 person days of jobs (approximately 73 269 jobs) created through all MIG Projects



Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
	Functional 78 PMUs and 71 newly established PMUs	Number of current PMUs supported Number of additional PMUs established	26 PMUs fully functional 7 PMUs established	Achieved Study on the capacity of PMUs completed and its recommendations implemented 41 retired engineers deployed to 29 Municipality Officials of 25 Municipalities trained in asset management Officials of 25 municipalities trained on infrastructure asset management 67 PMUs established
Public participation and empowerment	Provide support and facilitate the establishment of functional ward committees through the Speaker's office Development of the draft policy framework on public participation Conduct community based planning pilots	Percentage ward committees functional Policy framework on public participation drafted Four CBP pilots conducted in various provinces	50% ward committees functional 68 municipalities targeted for assistance Draft policy framework on public participation finalised Four CBP pilots conducted by 31 March 2006	Achieved 41 municipalities with functional ward committees Not achieved Draft policy framework on public participation developed and circulated for comment Achieved Eight (200%) CBP pilots conducted
	Assist and guide municipalities in putting in place processes and systems to ensure successful recruitment and deployment of 210 CDWs in the nodes and Additional 590 CDWs deployed in project consolidate municipalities	Number of CDWs deployed to the nodes to enable communities to access government services and to participate in local government events Number of additional CDWs deployed to project consolidate municipalities	25% CDWs trained, and deployed to municipalities	Achieved 1 340 CDWs recruited and deployed to municipalities
	Support programme on "community participation in municipal performance management" developed and initiated in the nodes	Number of local events and campaigns Number of partnerships established Develop a model for public participation	30% improvement in community participation	Not achieved Stakeholder Forum held to discuss framework for performance management system that would include community participation and will be linked to the Vuna awards

Programme 5: Free basic services and infrastructure continued

2.6.6 Programme 5: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Management	3 279	3 279	0
Municipal infrastructure	25 246	25 240	6
Free basic services coordination	4 156	4 156	0
Municipal service partnerships	2 744	2 692	52
Public participation and empowerment	2 802	2 421	381
Total	38 227	37 788	439

2.6.7 Programme 5: Economic classification budget and actual expenditure

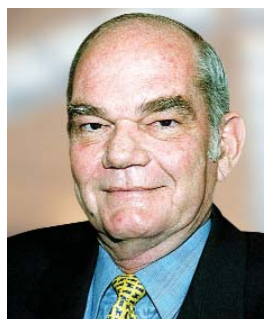
	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees	15 352	15 067	285
Goods and services	21 990	21 847	143
Interest and rent on land			
Financial transaction in assets and liabilities			
Unauthorised expenditures			
Transfer and subsidies to:			
Provinces and municipalities	57	46	11
Department agencies and accounts			
Universities and technikons			
Foreign government and International organisations			
Public corporations and private enterprises			
Non profit institutions			
Households			
Gifts and donations			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment	701	701	0
Cultivated assets			
Software and other intangible assets	127	127	0
Land and subsoil assets			
Total	38 227	37 788	439



The free basic services and infrastructure programme supports local government to enable it to deliver sustainable infrastructure and increase access to basic services including free basic services such as water and electricity.

Strategic influence has been registered in the delivery of infrastructure and access to basic services. The good governance framework and public participation in municipalities has been strengthened by the launch and publication of a Resource Book and Handbook for Ward Committees.

Programme 6: Provincial and Local Government transfers



Chief Financial Officer: Mr C Clerihew

2.7.1 Purpose

Provide for the transfer of conditional grants directly administered by the Department to the provincial and local spheres of government.

2.7.2 Service delivery objectives and indicators

The funds were transferred in compliance to the Division of Revenue Act and full details per municipality and province are provided in Annexures to the Financial Statements, which are included in this Report.

2.7.3 Programme developments

This Programme is divided into two sub-programmes:

2.7.3.1 Provincial transfers

Disaster Relief: To fund emergency water services supplied to communities affected by droughts.

2.7.3.2 Local government transfers

Equitable Share: Each municipality's share of local government's equitable share of revenue anticipated to be raised nationally.

2.7.3.3 Municipal Systems Improvement Programme: The grant is to assist municipalities in building an in-house capacity to perform their functions.

2.7.3.4 Municipal Infrastructure Grant: The grant supports municipal capital budgets to fund municipal infrastructure and to upgrade existing infrastructure, primarily benefiting poor households.

2.7.4 Service delivery achievements

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
Provincial Transfers	Disaster Relief	Compliance with requirements of DoRA	100% of funds transferred by March 2006 in accordance with payment schedule	100% of funds transferred by 31 March 2006
Local Government Transfers	Development of the distribution formula for the local government equitable share	Development of the distribution formula for the local government equitable share	Development of the distribution formula for the local government equitable share	100% of LGES funds transferred by 31 March 2006
	Manage municipal systems improvement grant	Percentage compliance with the requirements of DoRA	100% of funds transferred by 31 March 2006 in accordance with payment schedule	100% of funds transferred by 31 March 2006
	Manage municipal infrastructure grant	Percentage compliance with the requirements of DoRA	100% of funds transferred by 31 March 2006 in accordance with payment schedule	100% of funds transferred by 31 March 2006



2.7.5 Programme 6: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Provincial transfers			
Disaster relief	40 700	40 689	11
Local government transfers			
Equitable share	9 643 341	9 643 341	0
Municipal systems improvement programme	200 000	200 000	0
Municipal infrastructure grant	5 436 161	5 436 161	0
Disaster relief	311 000	311 000	0
Total	15 631 202	15 631 191	11

2.7.6 Programme 6: Economic classification budget and actual expenditure

	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees			
Goods and services			
Interest and rent on land			
Financial transaction in assets and liabilities			
Unauthorised expenditures			
Transfer and subsidies to:			
Provinces and municipalities	15 631 202	15 631 191	11
Department agencies and accounts			
Universities and technikons			
Foreign government and international organisations			
Public corporations and private enterprises			
Non profit institutions			
Households			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment			
Cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Total	15 631 202	15 631 191	11

Programme 7: Fiscal transfers

2.8.1. Purpose

Provide for financial transfers to various authorities and institutions in terms of the relevant legislation or founding agreements.

2.8.2 Programme strategic overview

The institution to which funds were transferred maintained a satisfactory level of financial management and will prepare and submit their own annual reports.

2.8.3 Programme policy development/Sub-Programmes

2.8.3.1 South African local government association (SALGA)

SALGA was created in 1996, and registered as an association not for gain. SALGA is mandated to represent the interests of local government in the intergovernmental relations systems, and seeks to promote sound labour relations practices as well as build the capacity of local government. The organisation was recognised by government in January 1998 as the one national organisation representing the majority of provincial organisation in terms of Sections 2 of the Organised Local Government Act, 1997 (Act No. 52 of 1997).

SALGA is funded from a combination of sources. These include a share of the national revenue allocated to local government, membership fees from provincial and local government associations that are voluntary members, and donations from the donor community that funds specific projects.

2.8.3.2 Municipal demarcation board (MDB)

The MDB was established on 1 February 1999. In terms of the Constitution, 1996 (Act No. 108 of 1996), the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998) read with the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998). The Board must amongst others:

- Determine or re-determine the outer boundaries of the three categories of municipalities identified in the Constitution.

- Delimit wards.
- Perform various advisory functions, such as the alignment of functional and or service delivery boundaries with constitutional boundaries.
- Perform an advisory role in the division and allocation of functions and powers to municipalities falling outside of the metropolitan areas.

2.8.3.3 Municipal infrastructure investment unit (MIIU)

The MIIU is a non-profit company created in 1998 to help municipalities find innovative solutions to critical problems with the financing and managing of essential municipal services. The MIIU received grant funding to provide technical assistance to local government pursuing municipal service partnerships, including long-term concession contracts, build-operate-transfer agreements, management contracts, and other partnerships with public and private entities

2.8.3.4 South African cities network (SACN)

The SACN was established in 2002 as an independent Section 21 Company, with the mandate to:

- Promote shared-learning partnerships between different spheres of government to support the management of South African cities.
- Analyse strategic challenges facing South African cities.
- Collect, collate, analyse, assess, disseminate and apply the experience of large city government in a South African context.

The founding SACN member cities are the nine largest cities in South Africa, and are located in five of the nine provinces.

They are:

Buffalo City (East London)
City of Cape Town
Ekurhuleni Metropolitan Municipality (East Rand)
City of eThekwin (Durban)
City of Johannesburg
Mangaung Municipality (Bloemfontein)
Msundusi Municipality (Pietermaritzburg)
Nelson Mandela Bay Municipality (Port Elizabeth)
City of Tshwane (Pretoria)



The SACN functions through a secretariat that derives its operational guidance from a Board of Directors constituted by the City Managers and Mayors of its member cities and senior representatives of the **dplg** and SALGA. Funding is received in the form of membership fees paid by the member cities, and grants from the **dplg** and International donor organisations.

2.8.3.5 Commission for the promotion and protection of the rights of cultural, religious and linguistic communities

The Commission is a Constitutional institution provided for in the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act, 2002 (Act No. 19 of 2002). The objects of the Commission are to promote respect for the rights of cultural, religious and linguistic communities and to develop peace, friendship, humanity, tolerance, and national unity among and within cultural, religious and linguistic communities, as well as to promote the right of communities to develop their historically diminished heritage.

2.8.3.6 Commission on traditional leadership disputes and claims

The President in terms of Section 23(1) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003) appointed the Commission on Traditional Leadership Disputes and Claims. The Commission, with a life span of five years, commenced its operation on 1 November 2004 with the objective to investigate and make findings on the traditional leadership disputes and claims.

2.8.3.7 National house of traditional leaders

The National House of Traditional Leaders is a statutory body established by the National House of Traditional Leaders Act, 1997 (Act No 10 of 1997) as amended. Its main objectives are to represent and advance the aspirations of Traditional Leaders and their communities at National level and to advise national government on the role of traditional leaders and on customary law.

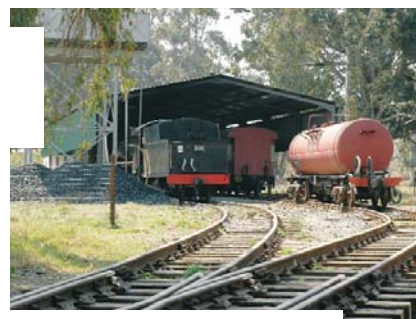
Section 10 of the Act empowers the House to establish Committees whose responsibilities are stated in the Rules and Orders of the House. The operations of Committees of the House are based on transparency, involvement and inputs by stakeholders and Provincial Houses.

2.7.7 Service delivery achievements (also refer to the separate annual reports tabled by the relevant institutions)

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
South African Local Government Association (SALGA)	Participate in the system of intergovernmental relations	Attendance at all local government MinMec's Presidential coordinating council and the National Council of provinces	100% attendance throughout the year	Five LG MinMec's and 7 technical MinMec's attended during 2005/06 4 PCC's and 2 Technical PCC's attended NCOP in Northern Cape, Limpopo and Mpumalanga
South African Cities Network (SACN)	A functional learning platform is established for member cities, generating information valuable to a broad range of stakeholders.	Success of the knowledge development and knowledge sharing activities	Seminar series held and toolkits developed	4 seminars, a conference and a symposium successfully held with a wide range of participants LED knowledge exchange event successfully held Toolkit to assist cities to deal with skills shortages developed. Research for the pending State of Cities Report 2006 completed

Programme 7: Fiscal transfers continued

Sub programme	Output	Indicator	Actual performance against target	
			Target	Actual
NHTL	Clarification of roles for the successful implementation of the White Paper on Traditional Leadership and the Traditional Leadership and Governance Framework Act, 2003	Stakeholder meeting to discuss and clarify roles in the implementation of the Act and the White Paper	Host four stakeholder meetings	Two stakeholder meetings held
	Developed Partnerships with stakeholders.	A partnership established with National Prosecuting Authority (NPA) and the other partnership with Heritage resource agency to be established	Two partnerships developed	One partnership entered into with NPA
	To create an atmosphere for Traditional Leaders to participate in the development Programmes aimed at poverty alleviation	Traditional Leaders to actively participate in the IDP, PGDS and National Programme of action	60% participation in IDP's, PGD's and national Programme of action	20% achieved
Municipal Infrastructure Investment Unit	Closure of the Unit	Completion of the exit strategy	December 2005	March 2006
	Closure of the 14 active project pipeline	Care taker arrangement for the active project pipeline	14 Projects concluded by 30 June 2006	11 Projects completed June 2006
	Packaging of MIU's institutional memory accumulated over an eight year history	Developed Toolkits and documented lessons learned from the successes and failures of MSPs.	March 2006	March 2006



2.8.5 Programme 7: Sub-programme budget and actual expenditure

Sub-programme	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
South African local government association	18 385	18 385	0
Municipal demarcation board	24 959	24 959	0
Municipal infrastructure investment unit	11 234	11 234	0
South African cities network	1 500	1 500	0
Commission for the promotion and protection of the rights of cultural, religious and linguistic communities	11 286	11 286	0
Commission on traditional leadership disputes and claims	7 120	6 302	818
National house of traditional leaders	8 907	8 307	204
Total	83 391	82 369	1 022

2.8.6 Programme 7: Economic classification budget and actual expenditure

	Adjusted appropriation R'000	Actual expenditure R'000	Savings R'000
Current payments			
Compensation of employees	3 045	2 023	1 022
Goods and services	12 586	12 586	0
Interest and rent on land			
Financial transactions in assets and liabilities			
Unauthorised expenditure			
Transfer and subsidies to:			
Provinces and municipalities	19	19	0
Departmental agencies and accounts	65 864	65 864	0
Universities and technikons			
Foreign governments and International organisations			
Public corporations and private enterprises			
Non-profit institutions	1 500	1 500	0
Households			
Payment of capital assets			
Building and other fixed structures			
Machinery and equipment	377	377	0
Cultivated assets			
Software and other intangible assets			
Land and subsoil assets			
Total	83 391	82 369	1 022

Chapter 03

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Financial Performance

Report of the Audit Committee

for the year ended 31 March 2006



Chairperson of Audit Committee:
Mr Andile Sangqu

We are pleased to present our report for the financial year ended 31 March 2006.

1. AUDIT COMMITTEE MEMBERS AND ATTENDANCE:

The Audit Committee consists of the members listed hereunder and meets four times per annum as per its approved terms of reference. During the current year five meetings were held. The additional was a special meeting to discuss the financial statements.

Name of Members	Number of meetings attended
Mr Andile Sangqu (Chairperson)	5
Ms Nomfuyo Galeni	4
Ms Londiwe Mthembu	4
Ms Nadira Singh	4
Mr Phakamile Ngaki	5

In order to add value to the selection process for vacant posts, Audit Committee members also formed part of the selection committees.

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee is satisfied that, it has complied with its responsibilities as outlined in Section 38(1)(a) of the PFMA and Treasury Regulation 3.113. 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.

3. THE EFFECTIVENESS OF INTERNAL CONTROL

The Department conducted a structured risk assessment at both strategic and operational levels. The risk register was used to develop Internal Audit Plans. The Benefits of risk management have been achieved through the activity monitoring, management and reporting of risks by management on a regular basis. The level of risk awareness throughout the Department has improved and it is underpinned by a strong risk management culture supported by Top Management.

The internal audit report presented and discussed during the year indicated that the controls were adequate and effective. There were however, instances where controls were found to be inadequate and ineffective; management made commitment to implement the required corrective actions.

The Audit Committee has noted the matters of emphasis from the Auditor General's report as well as the shortcomings identified during the information system review. Management are committed to addressing shortcomings identified in the report and the management letter. An action plan has therefore been developed specifically with regards to asset management. This plan enables regular feedback to the Committee. The Internal Audit Unit will regularly follow-up on the plan and report independently to the Audit Committee.



Ms Nadira Singh



Ms Londiwe Mthembu



Ms Nomfuyo Galeni



Mr Phakamile Ngaki

4. QUALITY OF MANAGEMENT AND MONTHLY/QUARTERLY REPORTS SUBMITTED IN TERMS OF THE ACT AND THE DIVISION OF REVENUE ACT.

The Department presented and reviewed the financial management reports at its Quarterly review meetings. These reports were also tabled and discussed at the Audit Committee meetings. The Committee was satisfied with the reports being prepared and issued by the Accounting Officer and the Department during the year under review. The committee participated in a working session on DORA with the Department and recommended Department to establish a committee consisting of all spheres of government to address the challenges faced by the Department and municipalities in complying with DORA.

5. EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed and discussed with the Auditor- General and Accounting Officer the audited annual financial statements to be included in the annual report; and
- Reviewed the Auditor-General's management letter and management response.

The Committee concurs and accepts the conclusions of the Auditor-General on the Annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

Mr. A Sangqu

Chairperson of the Audit Committee

Report of the accounting officer

for the year ended 31 March 2006

REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY AND PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

- 1.1 The total expenditure, excluding local and foreign aid assistance, amounted to R15 957 562 267 representing 99,98% of the total appropriation. The under expenditure of R2 864 733 was therefore 0,02% of the total budget. This reflects the continuing trend of reduction in the annual under-expenditure which was at 1,78% in 2001/02. The following table reflects the detail:

Year	Expenditure R'000	Saving %	Saving R'000
2001/02	4 737 343	1,78	84 277
2002/03	6 579 638	0,35	22 878
2003/04	9 466 231	0,26	24 957
2004/05	13 121 077	0,12	16 304
2005/06	15 957 562	0,02	2 865

- 1.2 The main estimates of National expenditure provided for the appropriation of an amount of R15 580 777 000 and this was increased by R379 650 000 in the Adjustments Estimate to bring the total amount voted to R15 960 427 000, This represented an increase of R2 823 146 000 (21,5%) over the previous financial year. The main increases were in respect of the equitable share and conditional grants to local government.

- 1.3 The comparative revised budget allocations are as follows:

Allocations per programme	Previous year R'000	Current year R'000
Programme 1 – Administration	89 349	91 074
Programme 2 – Governance, Policy and Research	23 960	24 241
Programme 3 – Urban and Rural Development	8 298	8 353
Programme 4 – Systems and Capacity Building	69 693	83 939
Programme 5 – Free Basic Services and Infrastructure	32 893	38 227
Programme 6 – Provincial and Local Government Transfers	12 840 924	15 631 202
Programme 7 – Fiscal Transfers	72 264	83 391
Total	13 137 381	15 960 427
Allocation per economic classification		
Compensation of employees	80 064	101 222
Goods and services	147 279	146 694
Financial transactions in assets and liabilities	343	42
Transfers and subsidies	12 903 025	15 705 690
Payment for capital assets	6 670	6 779
Total	13 137 381	15 960 427

Under/(over) spending

The total under expenditure amounted to R2 864 733 which is 0,02% of the amount voted. The main contributing factors to this under expenditure and the reasons therefore, are the following:

Compensation of employees

R1 855 000

The Department could not fill all the vacancies throughout the year.

Report of the accounting officer

for the year ended 31 March 2006

Goods and services

R672 000

The under expenditure was mainly as a result of the concomitant reduction in travelling and subsistence due to the level of vacancies.

Payment for capital assets

R298 000

The under expenditure was mainly as a result of the reduced acquisition of transport equipment and computer software.

2. SERVICE RENDERED BY THE DEPARTMENT

2.1 Tariff policy

The Department does not provide services for which a tariff must be determined, or rendered a free service as contemplated in Treasury regulation 7.3.2.

2.2 Inventories

Inventories on hand at year end amounted to R138 522 consisting mainly of stationery. The average price costing method as provided for by the LOGIS system was utilised.

3. CAPACITY CONSTRAINTS

The major capacity constraints during the course of the year were mainly in the management of transfer payments. The office of the Chief Financial Officer has been restructured to provide for a separate directorate to manage transfer payments which became operational in the 2004/05 financial year. The Internal Audit Unit was strengthened but it was necessary to co-source in order to make headway with the Audit Plan.

4. UTILISATION OF DONOR FUNDS

The donor funds were utilised in the following areas:

- Local government capacity building
- Local government support in the Mpumalanga and Limpopo provinces
- Sector budget support programme
- Local government support programmes (Direct support to Municipalities)
- Implementation of the DRC Project Plan

5. TRADING ENTITIES AND PUBLIC ENTITIES

There are no trading entities under the control of the Department.

The Municipal Infrastructure Investment Unit (MIIU) and the South African Local Government Association (SALGA) are listed public entities.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

- Municipal Infrastructure Investment Unit (MIIU)

Government set up the MIIU as a Section 21 Company to inter alia promote municipal services partnerships and is a self accounting entity.

- South African Local Government Association (SALGA)

SALGA has been recognised in terms of the Organised Local Government Act to represent the sector and to participate in intergovernmental forums and the transfer is a contribution towards operating costs of this self accounting entity.

Report of the accounting officer

for the year ended 31 March 2006

- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
The Commission is a constitutional institution in terms of the PFMA.
- Non-Profit Institutions
 - South African Red Cross Society
Contribution for the Tsunami Relief
 - Council of Geosciences for South Africa
Contribution for the Tsunami Early Warning System
- South African Cities Network
The transfer is a contribution to the operational costs of this local government organisation.
- Municipal Demarcation Board
The Board is a constitutional institution in terms of the PFMA.
- Municipalities
Transfers made in terms of the Division of Revenue Act.
- Provinces
Transfers made in terms of the Division of Revenue Act.

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department has not entered into any such agreements.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The internal audit plan was developed for 2005/06 in line with relevant priority risk areas and formed the first year of the rolling three year Strategic Internal Audit Plan. The Audit Committee is fully functional and meets regularly. All managers have to declare financial interest annually and at every management or corporate meeting, all attendees must declare any interest in any subject matter on the Agenda. The physical environment is managed by a separate unit and matters of safety and health are priorities within the rented buildings occupied by the department. Personal health matters are addressed by the Quality of Worklife unit through a communication campaign and the periodic arrangement of Wellness Days to monitor vital health indicators.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The transfers to the Municipal Infrastructure Investment Unit will cease in the 2006/07 financial year as the Unit is in the process of de-registration and will cease to be a public entity.

10. NEW/PROPOSED ACTIVITIES

A new sub-programme has been created for expenditure on Project Consolidate and on completion of the projected, two year project, the resources will continue to be utilised for capacity building in the local government sector.

11. ASSET MANAGEMENT

An electronic asset bar-coding system was implemented in the **dplg** during the 2004/05 financial year and all assets are being captured on the system. The basic details of asset number, description, location and a price have been captured and further details such as in invoice, order, payment and applicable serial numbers are in the process of being captured. The register does in the main comply with the minimum requirements with regard to identification and management responsibility but further verification of values of assets acquired in prior years is still required.

Report of the accounting officer

for the year ended 31 March 2006

The **dplg** Asset Management Policy was approved in April 2004 and implementation began in that financial year. The Asset Management Reform milestones set in year one of the **dplg** implementation plan were met, with the exception of the complete verification of asset values for previous financial years.

A completed separate asset management unit is not yet fully functional and this is being expedited with the creation of a further post of Manager: Asset Management in the 2006/07 financial year. During 2005/06 the asset management team was assisted by an external service provider.

12. EVENTS AFTER THE REPORTING DATE.

None.

13. PERFORMANCE INFORMATION

Quarterly Review Meetings are held and Branch Reports are generated within a Management Information System, which reflects quarterly and progressive performance, including expenditure and is linked with the risk areas highlighted in the risk assessment.

14. SCOPA RESOLUTIONS

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
World Trade Centre (1993/94 Financial year)	Unauthorised expenditure: R66 227 648	Published in the Finance Bill by National Treasury
Saving on capital expenditure used for current expenditure (1993/94 Financial year)	Unauthorised expenditure: R159 875	Published in the Finance Bill by National Treasury

15. OTHER

The application of the Division of Revenue Act has improved and the recently compiled operation manual will facilitate further improvement. It will also be used in the building of capacity at all spheres of government.

APPROVAL

The Annual Financial Statements set out on pages 90 to 124 have been approved by the Accounting Officer.



Ms Lindiwe Msengana-Ndlela

Director-General

31 May 2006

Report of the auditor-general

for the year ended 31 March 2006



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT VOTE 5 FOR THE YEAR ENDED 31 MARCH 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 84 to 124 for the year ended 31 March 2006 have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40 of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA). The fixed asset opening balances have not been audited because of the timing of guidance from National Treasury to departments relating to the treatment, valuation and disclosure of fixed assets. These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 544 of 2006*, issued in *Government Gazette no. 28723* of 10 April 2006 and *General Notice 808 of 2006*, issued in *Government Gazette no. 28954* of 23 June 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

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

4. AUDIT OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Provincial and Local Government at 31 March 2006 and the results of its operations and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury of South Africa, as described in paragraph 1.1 of the accounting policies to the financial statements, and in the manner required by the PFMA.

5. EMPHASIS OF MATTER

Without qualifying the audit opinion, attention is drawn to the following matters:

5.1 Conditional grants to municipalities

As reflected in annexure 1E to the financial statements, certain municipalities had significant underspending on conditional grants.

The expenditure per municipality as reflected in annexure 1E has not been audited due to the difference in financial years.

5.2 Irregular expenditure

Irregular expenditure to the amount of R20 559 000 which related to the 2000-01 and 2001-02 financial years is disclosed in notes 25.1 and 25.2 to the financial statements. Although the department has applied for *ex post facto* approval from the state tender board the matter has not yet been finalised.

Report of the auditor-general

for the year ended 31 March 2006

5.3 Audit of performance information

The report of the department on the performance against predetermined objectives was only received on 5 July 2006 and not by 15 June 2006 as required by The Guide for the Preparation of Annual Reports issued by the National Treasury. Consequently the review of this information was delayed. The evidence to verify the actual performance was also not received in time to complete the audit on the performance information.

6. INFORMATION SYSTEMS AUDIT

An information systems audit of the general controls at the department was completed in February 2006 and the findings were reported to the accounting officer. The accounting officer's comments, dated March 2006, referred to various corrective measures taken to address the weaknesses identified. These corrective measures will be evaluated during the next audit.

The most significant weaknesses identified were the following:

Various shortcomings and instances of non-compliance with the Minimum Information Security Standards were identified in the security policy. An information security officer had also not yet been appointed to oversee information security at the department.

No authorised and tested disaster recovery and business continuity plan had been established for the department's information systems and resources. The department might consequently not be able to recover critical systems in the event of a disaster.

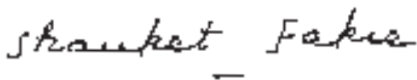
User account management procedures were inadequate to ensure effective user account management at operating and application system levels.

A number of weaknesses were identified in the logical security parameter settings of the Novell Netware server at the department, such as inadequate intruder detection settings and password controls.

7. APPRECIATION

The assistance rendered by the staff of the Department of Provincial and Local Government during the audit is sincerely appreciated.

Auditor-General



Pretoria

31 July 2006

Statement for accounting policies and related matters

for the year ended 31 March 2006

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 2005.

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 or when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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.

A comparison between actual and budgeted amounts per major classification of expenditure is included in the appropriation statement.

2. REVENUE

2.1 Appropriated funds

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

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund, unless approval has been given by the National Treasury to rollover the funds to the subsequent financial year. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties and forfeits).

Tax receipts are recognised in the statement of financial performance when received.

Statement for accounting policies and related matters for the year ended 31 March 2006

2.2.2 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.2.3 Fines, penalties and forfeits

Fines, penalties and forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.2.4 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

2.2.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.2.6 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the statement of financial performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

2.2.7 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the National Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in the annexures to the financial statements.

2.3 Local and foreign aid assistance

Local and foreign aid assistance is recognised in the financial records when the department directly receives the cash from the donor(s). The total cash amounts received during the year is reflected in the statement of financial performance as revenue.

All in-kind local and foreign aid assistance are disclosed at fair value in the annexures to the annual financial statements

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the statement of financial performance. A receivable is recognised in the statement of financial position to the value of the amounts expensed prior to the receipt of the funds.

A payable is raised in the statement of financial position where amounts have been inappropriately expensed using local and foreign aid assistance, unutilised amounts are recognised in the statement of financial position.

3. EXPENDITURE

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages 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). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance.

Statement for accounting policies and related matters for the year ended 31 March 2006

All other payments are classified as current expense.

Social contributions include the entities' contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system.

3.1.1 Short term employee benefits

Short term employee benefits comprise of leave entitlements (capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages 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).

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

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

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

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the final authorisation for payment to the fund 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/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used on a capital project.

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.

3.4 Financial transactions in assets and liabilities

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

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

Statement for accounting policies and related matters for the year ended 31 March 2006

3.5 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 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.

3.8 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).

3.9 Expenditure for capital assets

Payments made for capital assets 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).

4. ASSETS

4.1 Cash and cash equivalents

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

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 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

Statement for accounting policies and related matters for the year ended 31 March 2006

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance.

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.

4.5 Loans

Loans are recognised in the statement of financial position at the nominal amount. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.6 Inventory

Inventories on hand at the reporting date are disclosed at cost in the disclosure notes.

4.7 Asset Registers

Assets are recorded in an asset register, at cost, on receipt of the item. Cost of an asset is defined as the total cost of acquisition. Assets procured in previous financial periods, may be stated at fair value, where determinable, or R1, in instances where the original cost of acquisition or fair value cannot be established. No revaluation or impairment of assets is currently recognised in the asset register. Projects (of construction/development) running over more than one financial year relating to assets, are only brought into the asset register on completion of the project and at the total cost incurred over the duration of the project.

Annexure 4 and 5 of the disclosure notes, reflect the total movement in the asset register of assets with a cost equal to and exceeding R5000 (therefore capital assets only) for the current financial year. The movement is reflected at the cost as recorded in the asset register and not the carrying value, as depreciation is not recognised in the financial statements under the modified cash basis of accounting. The opening balance reflected on Annexure 4 and 5 will include items procured in prior accounting periods and the closing balance will represent the total cost of the register for capital assets on hand.

5. LIABILITIES

5.1 Payables

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

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These 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.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures to the financial statements.

5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

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.

Statement for accounting policies and related matters for the year ended 31 March 2006

5.4 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

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.

6. NET ASSETS

6.1 Capitalisation reserve

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

6.2 Recoverable revenue

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

7. RELATED PARTY TRANSACTIONS

Related parties are other entities that control or significantly influence in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

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

Appropriation statement

for the year ended 31 March 2006

APPROPRIATION PER PROGRAMME

	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	
1. Administration				
Current payment	80 363	(65)	6 000	
Transfers and subsidies	258	65	–	
Payment for capital assets	4 453	–	–	
2. Governance, Policy and Research				
Current payment	23 944	(30)	200	
Transfers and subsidies	56	–	–	
Payment for capital assets	41	30	–	
3. Urban and Rural Development				
Current payment	8 935	(9)	(600)	
Transfers and subsidies	18	–	–	
Payment for capital assets	–	9	–	
4. Systems and Capacity Building				
Current payment	84 064	(682)	(7 200)	
Transfers and subsidies	6 034	682	–	
Payment for capital assets	1 041	–	–	
5. Free Basic Services and Infrastructure				
Current payment	36 517	(175)	1 000	
Transfers and subsidies	57	–	–	
Payment for capital assets	653	175	–	
6. Provincial and Local Government Transfers				
Current payment	–	–	–	
Transfers and subsidies	15 631 202	–	–	
Payment for capital assets	–	–	–	
7. Fiscal Transfers				
Current payment	15 116	(17)	600	
Transfers and subsidies	67 375	8	–	
Payment for capital assets	300	9	–	
Subtotal	15 960 427	–	–	
Statutory Appropriation				
Current payments	–	–	–	
Transfers and subsidies	–	–	–	
Payment for capital assets	–	–	–	
Total	15 960 427	–	–	
Reconciliation with Statement of Financial Performance				
Add: Prior year unauthorised expenditure approved with funding				
Departmental receipts				
Local and foreign aid assistance				
Actual amounts per Statement of Financial Performance				
(Total Revenue)				
Add: Local and foreign aid assistance				
Prior year unauthorised expenditure approved				
Prior year fruitless and wasteful expenditure authorised				
Actual amounts per Statement of Financial Performance				
Expenditure				

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
86 298	85 814	484	99,4%		84 667	83 225
323	318	5	98,5%		189	174
4 453	4 242	211	95,5%		4 493	4 493
24 114	24 036	78	99,7%		23 736	20 249
56	46	10	82,1%		162	162
71	71	–	100,0%		62	62
8 326	8 284	42	99,3%		8 159	5 465
18	15	3	83,3%		19	11
9	9	–	100,0%		120	60
76 182	75 677	505	99,3%		68 134	67 963
6 716	6 716	–	100,0%		64	37
1 041	975	66	93,7%		1 495	425
37 342	36 914	428	98,9%		32 389	26 600
57	46	11	80,7%		34	22
828	828	–	100,0%		470	470
–	–	–	–		–	–
15 631 202	15 631 191	11	100,0%		12 840 924	12 840 923
–	–	–	–		–	–
15 699	14 677	1 022	93,5%		10 601	9 073
67 383	67 383	–	100,0%		61 633	61 633
309	309	–	100,0%		30	30
15 960 427	15 957 562	2 865	100,0%		13 137 381	13 121 077
15 960 427	15 957 562	2 865	100,0%		13 137 381	13 121 077
–					–	
328					806	
3 403					78 225	
15 964 158					13 216 412	
35 886					43 221	
15 993 448					13 164 298	

Appropriation statement

for the year ended 31 March 2006

APPROPRIATION PER ECONOMIC CLASSIFICATION

	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	
Current payments				
Compensation of employees	103 556	(1 713)	(600)	
Goods and services	145 383	735	558	
Interest and rent on land	–	–	–	
Financial transactions in assets and liabilities	–	–	42	
Transfers and subsidies				
Provinces and municipalities	15 631 565	(22)	–	
Departmental agencies and accounts	67 814	–	–	
Universities and technikons	–	–	–	
Foreign governments and International organisations	–	–	–	
Public corporations and private enterprises	121	61	–	
Non-profit institutions	5 500	–	–	
Households	–	716	–	
Payment for capital assets				
Buildings and other fixed structures	–	–	–	
Machinery and equipment	6 249	54	–	
Biological or cultivated assets	–	–	–	
Software and other intangible assets	239	169	–	
Land and subsoil assets	–	–	–	
Total	15 960 427	–	–	
Statutory Appropriation				
Direct charge against National Revenue Fund				
List all direct charges against the Revenue Fund				
President and Deputy President salaries				
Member of executive committee/parliamentary officers				
Judges salaries				
Sector education and training authorities SETA				
National skills fund				
Total	–	–	–	

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
101 243	99 367	1 876	98,1%		80 064	71 918
146 676	145 993	683	99,5%		147 279	140 528
–	–	–	–		–	–
42	42	–	100,0%		343	129
15 631 543	15 631 508	35	100,0%		12 841 206	12 841 143
67 814	67 814	–	100,0%		60 126	60 126
–	–	–	–		–	–
–	–	–	–		114	114
182	177	5	97,5%		52	52
5 500	5 500	–	100,0%		1 500	1 500
716	716	–	100,0%		27	27
–	–	–	–		–	–
6 303	6 122	181	97,1%		6 230	5 100
–	–	–	–		–	–
408	323	85	79,2%		440	440
–	–	–	–		–	–
15 960 427	15 957 562	2 865	100,0%		13 137 381	13 121 077
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 1 – ADMINISTRATION

Programme per subprogramme	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000
1.1 Minister			
Current payment	843	–	–
Transfers and subsidies	–	–	–
Payment for capital assets	–	–	–
1.2 Deputy Minister			
Current payment	654	–	–
Transfers and subsidies	–	–	–
Payment for capital assets	–	–	–
1.3 Management			
Current payment	5 088	–	958
Transfers and subsidies	14	–	–
Payment for capital assets	20	1	–
1.4 Corporate Services			
Current payment	60 412	(65)	5 000
Transfers and subsidies	216	65	–
Payment for capital assets	3 699	(12)	–
1.5 Monitoring and Evaluation			
Current payment	13 366	–	–
Transfers and subsidies	28	–	–
Payment for capital assets	–	11	–
1.6 Government Motor Transport			
Current payment	–	–	–
Transfers and subsidies	–	–	–
Payment for capital assets	734	–	–
1.7 Special Functions: Authorised losses			
Current payment	–	–	42
Transfers and subsidies	–	–	–
Payment for capital assets	–	–	–
Total	85 074	–	6 000
Economic classification			
Current payments			
Compensation of employees	41 642	(281)	–
Goods and services	38 721	216	5 958
Interest and rent on land	–	–	–
Financial transactions in assets and liabilities	–	–	42
Transfers and subsidies			
Provinces and municipalities	137	(12)	–
Departmental agencies and accounts	–	–	–
Universities and technikons	–	–	–
Foreign governments and International organisations	–	–	–
Public corporations and private enterprises	121	61	–
Non-profit institutions	–	–	–
Households	–	16	–
Payments for capital assets			
Buildings and other fixed structures	–	–	–
Machinery and equipment	4 214	–	–
Biological or cultivated assets	–	–	–
Software and other intangible assets	239	–	–
Land and subsoil assets	–	–	–
Total	85 074	–	6 000

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
843	837	6	99,3%		791	791
–	–	–	–		–	–
–	–	–	–		–	–
654	649	5	99,2%		643	625
–	–	–	–		–	–
–	–	–	–		–	–
6 046	6 042	4	99,9%		5 347	4 906
14	13	1	92,9%		12	12
21	21	–	100,0%		12	12
65 347	64 903	444	99,3%		64 856	64 856
281	281	–	100%		139	
3 687	3 603	84	97,7%		4 374	4 374
13 366	13 341	25	99,8%		12 687	11 918
28	24	4	85,7%		38	23
11	11	–	100,0%		107	107
–	–	–	–		–	–
–	–	–	–		–	–
734	607	127	82,7%		–	–
42	42	–	100,0%		343	129
–	–	–	–		–	–
–	–	–	–		–	–
91 074	90 374	700	99,2%		89 349	87 892
41 361	40 877	484	98,8%		36 177	34 949
44 895	44 895	–	100,0%		48 147	48 147
–	–	–	–		–	–
42	42	–	100,0%		343	129
125	125	–	100,0%		120	105
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
182	177	5	97,3%		52	52
–	–	–	–		–	–
16	16	–	100,0%		17	17
–	–	–	–		–	–
4 214	4 088	126	97,0%		4 402	4 402
–	–	–	–		–	–
239	154	85	64,4%		91	91
–	–	–	–		–	–
91 074	90 374	700	99,2%		89 349	87 892

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 2 – GOVERNANCE, POLICY AND RESEARCH

Programme per subprogramme	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000
2.1 Management			
Current payment	1 150	40	–
Transfers and subsidies	3	–	–
Payment for capital assets	–	–	–
2.2 Intergovernmental Relations			
Current payment	6 425	(258)	–
Transfers and subsidies	16	–	–
Payment for capital assets	16	4	–
2.3 Development Planning			
Current payment	4 765	(223)	–
Transfers and subsidies	8	–	–
Payment for capital assets	10	23	–
2.4 Local Economic Development			
Current payment	1 960	42	–
Transfers and subsidies	5	–	–
Payment for capital assets	–	–	–
2.5 Traditional Leadership and Institutions			
Current payment	5 190	347	200
Transfers and subsidies	13	–	–
Payment for capital assets	–	8	–
2.6 International and Donor Relations			
Current payment	4 454	22	–
Transfers and subsidies	11	–	–
Payment for capital assets	15	(5)	–
Total	24 041	–	200
Economic classification			
Current			
Compensation of employees	15 657	(473)	–
Goods and services	8 287	443	200
Interest and rent on land	–	–	–
Financial transactions in assets and liabilities	–	–	–
Transfers and subsidies			
Provinces and municipalities	56	–	–
Dept agencies and accounts	–	–	–
Universities and Technikons	–	–	–
Foreign governments and International organisations	–	–	–
Public corporations and private enterprises	–	–	–
Non-profit institutions	–	–	–
Households	–	–	–
Capital			
Buildings and other fixed structures	–	–	–
Machinery and equipment	31	40	–
Biological or Cultivated assets	–	–	–
Software and other intangible assets	–	–	–
Land and subsoil assets	–	–	–
Total	24 041	–	200

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
1 190	1 190	–	100,0%		1 948	1 948
3	3	–	100,0%		3	3
–	–	–	–		6	6
6 167	6 151	16	99,7%		5 024	4 982
16	14	2	87,5%		11	11
20	20	–	100,0%		15	15
4 542	4 480	62	98,6%		3 802	3 238
8	7	1	87,5%		4	4
33	33	–	100,0%		14	14
2 002	2 002	–	100,0%		3 981	2 816
5	3	2	60,0%		4	4
–	–	–	–		14	14
5 737	5 737	–	100,0%		6 062	4 346
13	12	1	92,3%		21	21
8	8	–	100,0%		–	–
4 476	4 476	–	100,0%		2 919	2 919
11	7	4	63,6%		119	119
10	10	–	100,0%		13	13
24 241	24 153	88	99,6%		23 960	20 473
15 184	15 106	78	99,5%		15 081	12 446
8 930	8 930	–	100,0%		8 655	7 803
–	–	–	–		–	–
–	–	–	–		–	–
56	46	10	82,1%		38	38
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		114	114
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		10	10
–	–	–	–		–	–
71	71	–	100,0%		62	62
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
24 241	24 153	88	99,6%		23 960	20 473

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 3 – URBAN AND RURAL DEVELOPMENT

Programme per subprogramme	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000
3.1 Management			
Current payment	1 907	(174)	–
Transfers and subsidies	5	–	–
Payment for capital assets	–	9	–
3.2 Urban Renewal			
Current payment	1 780	–	(600)
Transfers and subsidies	4	(1)	–
Payment for capital assets	–	–	–
3.3 Urban Renewal: Monitoring and Evaluation			
Current payment	1 824	(6)	–
Transfers and subsidies	3	–	–
Payment for capital assets	–	–	–
3.4 Rural Development			
Current payment	1 755	(119)	–
Transfers and subsidies	3	–	–
Payment for capital assets	–	–	–
3.5 Integrated Sustainable Rural Development Programme: Monitoring and Evaluation			
Current payment	1 669	290	–
Transfers and subsidies	3	1	–
Payment for capital assets	–	–	–
Total	8 953	–	(600)
Economic classification			
Current			
Compensation of employees	5 604	(9)	(600)
Goods and services	3 331	–	–
Interest and rent on land	–	–	–
Financial transactions in assets and liabilities	–	–	–
Transfers and subsidies			
Provinces and municipalities	18	–	–
Dept agencies and accounts	–	–	–
Universities and Technikons	–	–	–
Foreign governments and International organisations	–	–	–
Public corporations and private enterprises	–	–	–
Non-profit institutions	–	–	–
Households	–	–	–
Capital			
Buildings and other fixed structures	–	–	–
Machinery and equipment	–	9	–
Biological or Cultivated assets	–	–	–
Software and other intangible assets	–	–	–
Land and subsoil assets	–	–	–
Total	8 953	–	(600)

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
1 733	1 733	–	100,0%		1 607	1 264
5	3	2	60,0%		3	2
9	9	–	100,0%		28	28
1 180	1 160	20	98,3%		984	858
3	2	1	66,7%		4	2
–	–	–	–		9	0
1 818	1 796	22	98,8%		1 661	976
3	3	–	100,0%		4	2
–	–	–	–		23	0
1 636	1 636	–	100,0%		2 256	1 023
3	3	–	100,0%		4	2
–	–	–	–		30	26
1 959	1 959	–	100,0%		1 651	1 344
4	4	–	100,0%		4	3
–	–	–	–		30	6
8 353	8 308	45	99,5%		8 298	5 536
4 995	4 988	7	99,9%		4 429	3 620
3 331	3 296	35	98,9%		3 730	1 845
–	–	–	–		–	–
–	–	–	–		–	–
18	15	3	83,3%		19	11
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
9	9	–	100,0%		120	60
–	–	–	–		–	–
–	–	–	–		–	–
–	–	–	–		–	–
8 353	8 308	45	99,5%		8 298	5 536

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 4 – SYSTEMS AND CAPACITY BUILDING

Programme per subprogramme	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000
4.1 Management			
Current payment	1 246	609	–
Transfers and subsidies	2	1	–
Payment for capital assets	20	–	–
4.2 Intergovernmental Fiscal Relations			
Current payment	19 776	1 472	–
Transfers and subsidies	31	(6)	–
Payment for capital assets	20	–	–
4.3 Local Government Administrative Systems			
Current payment	4 188	–	–
Transfers and subsidies	12	(2)	–
Payment for capital assets	20	12	–
4.4 Capacity Building Systems			
Current payment	5 147	(3 062)	–
Transfers and subsidies	5	(1)	–
Payment for capital assets	20	–	–
4.5 Disaster Management			
Current payment	34 256	116	–
Transfers and subsidies	5 960	699	–
Payment for capital assets	921	(42)	–
4.6 Performance Management and Monitoring Systems			
Current payment	12 644	–	(5 396)
Transfers and subsidies	9	(3)	–
Payment for capital assets	20	–	–
4.7 Local Government Leadership Academy			
Current payment	1 769	183	–
Transfers and subsidies	5	(2)	–
Payment for capital assets	–	30	–
4.8 Anti-Corruption			
Current payment	2 858	–	(250)
Transfers and subsidies	5	–	–
Payment for capital assets	–	–	–
4.9 Local Government Transformation			
Current payment	2 180	–	(1 554)
Transfers and subsidies	5	(4)	–
Payment for capital assets	20	–	–
Total	91 139	–	(7 200)
Economic classification			
Current			
Compensation of employees	21 835	(529)	–
Goods and services	62 229	(153)	(7 200)
Interest and rent on land	–	–	–
Financial transactions in assets and liabilities	–	–	–
Transfers and subsidies			
Provinces and municipalities	84	(18)	–
Dept agencies and accounts	1 950	–	–
Universities and Technikons	–	–	–
Foreign governments and International organisations	–	–	–
Public corporations and private enterprises	–	–	–
Non-profit institutions	4 000	–	–
Households	–	700	–
Capital			
Buildings and other fixed structures	–	–	–
Machinery and equipment	1 041	(42)	–
Biological or Cultivated assets	–	–	–
Software and other intangible assets	–	42	–
Land and subsoil assets	–	–	–
Total	91 139	–	(7 200)

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
1 855 3 20	1 855 3 14	– – 6	100,0% 100,0% 70,0%		1 320 4 6	1 149 1 6
21 248 25 20	21 247 25 16	1 – 4	100,0% 100,0% 80,0%		4 124 13 35	4 124 8 –
4 188 10 32	4 178 10 32	10 – –	99,8% 100,0% 100,0%		3 612 12 85	3 612 8 –
2 085 4 20	1 949 4 16	136 – 4	93,5% 100,0% 80,0%		2 072 8 59	2 072 3 –
34 372 6 659 879	34 372 6 659 853	– – 26	100,0% 100,0% 97,0%		30 518 10 1 246	30 518 8 419
7 248 6 20	7 234 6 14	14 – 6	99,8% 100,0% 70,0%		24 934 13 64	24 934 7 –
1 952 3 30	1 952 3 30	– – –	100,0% 100,0% 100,0%		1 554 4 –	1 554 2 –
2 608 5 –	2 275 5 –	333 – –	87,2% 100,0% –		– – –	– – –
626 1 20	626 1 –	– – 20	100,0% 100,0% 0,00		– – –	– – –
83 939	83 379	560	99,3%		69 693	68 425
21 306 54 876 – –	21 306 54 371 – –	– 505 – –	100,0% 99,1% – –		12 313 55 821 – –	12 142 55 821 – –
66 1 950 – – – 4 000 700	66 1 950 – – – 4 000 700	– – – – – – –	100,0% 100,0% – – – 100,0% 100,0%		64 – – – – – –	37 – – – – – –
– 999 – 42 –	– 999 – 42 –	– 55 – – –	– 94,5% – 100,0% –		– 1 495 – – –	– 425 – – –
83 939	83 379	560	99,3%		69 693	68 425

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 5 – FREE BASIC SERVICES AND INFRASTRUCTURE

Programme per subprogramme	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000
5.1 Management			
Current payment	2 371	–	862
Transfers and subsidies	4	–	–
Payment for capital assets	–	42	–
5.2 Municipal Infrastructure			
Current payment	24 771	(323)	–
Transfers and subsidies	31	–	–
Payment for capital assets	552	215	–
5.3 Free Basic Services Co-ordination			
Current payment	3 540	470	138
Transfers and subsidies	8	–	–
Payment for capital assets	32	(32)	–
5.4 Municipal Service Partnerships			
Current payment	3 057	(322)	–
Transfers and subsidies	9	–	–
Payment for capital assets	33	(33)	–
5.5 Public Participation and Empowerment			
Current payment	2 778	–	–
Transfers and subsidies	5	–	–
Payment for capital assets	36	(17)	–
Total	37 227	–	1 000
Economic classification			
Current			
Compensation of employees	15 527	(175)	–
Goods and services	20 990	–	1 000
Interest and rent on land	–	–	–
Financial transactions in assets and liabilities	–	–	–
Transfers and subsidies			
Provinces and municipalities	57	–	57
Dept agencies and accounts	–	–	–
Universities and Technikons	–	–	–
Foreign governments and International organisations	–	–	–
Public corporations and private enterprises	–	–	–
Non-profit institutions	–	–	–
Households	–	–	–
Capital			
Buildings and other fixed structures	–	–	–
Machinery and equipment	653	48	701
Biological or Cultivated assets	–	–	–
Software and other intangible assets	–	127	127
Land and subsoil assets	–	–	–
Total	37 227	–	1 000

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
3 233	3 233	–	100,0%		3 362	1 822
4	4	–	100,0%		4	4
42	42	–	100,0%		86	86
24 448	24 448	–	100,0%		19 229	16 903
31	25	6	80,6%		11	10
767	767	–	100,0%		363	363
4 148	4 148	–	100,0%		3 755	2 946
8	8	–	100,0%		8	3
–	–	–	–		–	–
2 735	2 686	49	98,2%		2 645	1 531
9	6	3	66,7%		4	3
–	–	–	–		13	13
2 778	2 399	379	86,4%		3 398	3 398
5	3	2	60,0%		7	2
19	19	–	100,0%		8	8
38 227	37 788	439	98,9%		32 893	27 092
15 352	15 067	285	98,1%		10 456	7 496
21 990	21 847	143	99,3%		21 933	19 104
–	–	–	–		–	–
–	–	–	–		–	–
46	11	80,7%	34		22	
–	–	–	–		–	
–	–	–	–		–	
–	–	–	–		–	
–	–	–	–		–	
–	–	–	–		–	
–	–	–	–		–	
–	–	–	–		–	
–	–	–	–		–	
701	–	100,0%	121		121	
–	–	–	–		–	
127	–	100,0%	349		349	
–	–	–	–		–	
38 227	37 788	439	98,9%		32 893	27 092

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 6 – PROVINCIAL AND LOCAL GOVERNMENT TRANSFERS

Programme per subprogramme	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000
6.1 Local Government Capacity Building			
Current payment	–	–	–
Transfers and subsidies	–	–	–
Payment for capital assets	–	–	–
6.2 Municipal Infrastructure Grant			
Current payment	–	–	–
Transfers and subsidies	–	–	–
Payment for capital assets	–	–	–
6.3 Disaster Relief			
Current payment	–	–	–
Transfers and subsidies	40 700	–	–
Payment for capital assets	–	–	–
6.4 Equitable Share			
Current payment	–	–	–
Transfers and subsidies	9 643 341	–	–
Payment for capital assets	–	–	–
6.5 Municipal Systems Improvement Programme			
Current payment	–	–	–
Transfers and subsidies	200 000	–	–
Payment for capital assets	–	–	–
6.6 Municipal Infrastructure Grant			
Current payment	–	–	–
Transfers and subsidies	5 436 161	–	–
Payment for capital assets	–	–	–
6.7 Disaster Relief			
Current payment	–	–	–
Transfers and subsidies	311 000	–	–
Payment for capital assets	–	–	–
Total	15 631 202	–	–
Economic classification			
Current			
Compensation of employees	–	–	–
Goods and services	–	–	–
Interest and rent on land	–	–	–
Financial transactions in assets and liabilities	–	–	–
Transfers and subsidies			
Provinces and municipalities	15 631 202	–	–
Dept agencies and accounts	–	–	–
Universities and Technikons	–	–	–
Foreign governments and International organisations	–	–	–
Public corporations and private enterprises	–	–	–
Non-profit institutions	–	–	–
Households	–	–	–
Capital			
Buildings and other fixed structures	–	–	–
Machinery and equipment	–	–	–
Biological or Cultivated assets	–	–	–
Software and other intangible assets	–	–	–
Land and subsoil assets	–	–	–
Total	15 631 202	–	–

Appropriation statement

for the year ended 31 March 2006

2005/2006				2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final appropriation R'000	Actual expenditure R'000
-	-	-	-	-	-
-	-	-	-	220 459	220 459
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	40 733	40 733
-	-	-	-	-	-
40 700	40 689	11	100,0%	-	-
-	-	-	-	-	-
9 643 341	9 643 341	-	100,0%	7 677 546	7 677 546
-	-	-	-	-	-
200 000	200 000	-	100,0%	182 243	182 243
-	-	-	-	-	-
5 436 161	5 436 161	-	100,0%	4 439 943	4 439 942
-	-	-	-	-	-
311 000	311 000	-	100,0%	280 000	280 000
-	-	-	-	-	-
15 631 202	15 631 191	11	100,0%	12 840 924	12 840 923
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15 631 202	15 631 191	11	100,0%	12 840 924	12 840 923
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15 631 202	15 631 191	11	100,0%	12 840 924	12 840 923

Appropriation statement

for the year ended 31 March 2006

DETAIL PER PROGRAMME 7 – FISCAL TRANSFERS

	Adjusted appropriation R'000	Shifting of funds R'000	Virement R'000	
7.1 South African Local Government Association				
Current payment	–	–	–	
Transfers and subsidies	18 385	–	–	
Payment for capital assets	–	–	–	
7.2 Municipal Demarcation Board				
Current payment	–	–	–	
Transfers and subsidies	24 959	–	–	
Payment for capital assets	–	–	–	
7.3 Municipal Infrastructure Investment Unit				
Current payment	–	–	–	
Transfers and subsidies	11 234	–	–	
Payment for capital assets	–	–	–	
7.4 South African Cities Network				
Current payment	–	–	–	
Transfers and subsidies	1 500	–	–	
Payment for capital assets	–	–	–	
7.5 Commission for the Promotion and Protection of the Rights of Culture, Religious and Linguistic Communities				
Current payment	–	–	–	
Transfers and subsidies	11 286	–	–	
Payment for capital assets	–	–	–	
7.6 Commission on Traditional Leadership Disputes and Claims				
Current payment	6 815	(77)	–	
Transfers and subsidies	5	7	–	
Payment for capital assets	300	2	–	
7.7 National House of Traditional Leaders				
Current payment	8 301	(8)	600	
Transfers and subsidies	6	1	–	
Payment for capital assets	–	7	–	
Total	82 791	–	600	
Economic classification				
Current				
Compensation of employees	3 291	(246)	–	
Goods and services	11 825	229	600	
Interest and rent on land	–	–	–	
Financial transactions in assets and liabilities	–	–	–	
Transfers and subsidies				
Provinces and municipalities	11	8	–	
Dept agencies and accounts	65 864	–	–	
Universities and Technikons	–	–	–	
Foreign governments and International organisations	–	–	–	
Public corporations and private enterprises	–	–	–	
Non-profit institutions	1 500	–	–	
Households	–	–	–	
Capital				
Buildings and other fixed structures	–	–	–	
Machinery and equipment	300	9	–	
Biological or Cultivated assets	–	–	–	
Software and other intangible assets	–	–	–	
Land and subsoil assets	–	–	–	
Total	82 791	–	600	

Appropriation statement

for the year ended 31 March 2006

2005/2006					2004/2005	
Final appropriation R'000	Actual expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		Final appropriation R'000	Actual expenditure R'000
18 385	18 385	—	100,0%	—	17 300	17 300
—	—	—	—	—	—	—
24 959	24 959	—	100,0%	—	22 523	22 523
—	—	—	—	—	—	—
11 234	11 234	—	100,0%	—	10 600	10 600
—	—	—	—	—	—	—
1 500	1 500	—	100,0%	—	1 500	1 500
—	—	—	—	—	—	—
11 286	11 286	—	100,0%	—	9 703	9 703
—	—	—	—	—	—	—
6 806	5 988	818	88%	—	1 994	675
12	12	—	100,0%	—	—	—
302	302	—	100,0%	—	6	6
8 893	8 689	204	97,7%	—	8 607	8 398
7	7	—	100,0%	—	7	7
7	7	—	100,0%	—	24	24
83 391	82 369	1 022	98,8%	—	72 264	70 736
3 045	2 023	1 022	66,4%	—	1 608	1 265
12 654	12 654	—	100,0%	—	8 993	7 808
—	—	—	—	—	—	—
—	—	—	—	—	—	—
19	19	—	100,0%	—	7	7
65 864	65 864	—	100,0%	—	60 126	60 126
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
1 500	1 500	—	100,0%	—	1 500	1 500
—	—	—	—	—	—	—
—	—	—	—	—	—	—
309	309	—	100,0%	—	30	30
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
83 391	82 369	1 022	98,8%	—	72 264	70 736

Notes to the appropriation statement

for the year ended 31 March 2006

1. DETAIL OF TRANSFERS AND SUBSIDIES AS PER APPROPRIATION ACT (AFTER VIREMENT):
Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-L) to the annual financial statements.
2. DETAIL OF SPECIFICALLY AND EXCLUSIVELY APPROPRIATED AMOUNTS VOTED (AFTER VIREMENT):
Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the annual financial statements.
3. DETAIL ON FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES
Detail of these transactions per programme can be viewed in note 6 (Details of special functions (theft and losses)) to the annual financial statements.
4. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED (AFTER VIREMENT):

4.1 Per programme:

	Final appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp %
Programme 1 Administration The underspending is mainly on compensation of employees due to vacant posts.	91 074	90 374	700	0,8
Programme 2 Governance, Policy and Research The underspending is mainly on compensation of employees due to vacant posts.	24 241	24 153	88	0,4
Programme 3 Urban and Rural Development The underspending is mainly due to less expenditure on travel and subsistence.	8 353	8 308	45	0,5
Programme 4 Systems and Capacity Building The underspending is mainly on goods and services as a result of the concomitant reduction in travelling and subsistence due to the level of vacancies as well as reduced acquisition of computer equipment.	83 939	83 379	560	0,7
Programme 5 Free Basic Services and Infrastructure The underspending is mainly on compensation of employees due to vacant posts as well as on goods and services as a result of the concomitant reduction in travelling and subsistence due to the level of vacancies.	38 227	37 788	439	1,1

Notes to the appropriation statement

for the year ended 31 March 2006

4.1 Per programme:

	Final appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp %
Programme 7				
Fiscal Transfers	83 391	82 369	1 022	1,2
The underspending is mainly on compensation of employees due to vacant posts. (In the case of surpluses on programmes, a detailed explanation must be given as to whether it is as a result of a saving or underspending.)				

4.2 Per economic classification:

	R'000
Current expenditure	
Compensation of employees	1 855
Goods and services	672
Transfers and subsidies	
Provinces and municipalities	35
Public corporations and private enterprises	5
Payments for capital assets	
Machinery and equipment	213
Software and other intangible assets	85

Statement of financial performance

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
REVENUE			
Annual appropriation	1	15 960 427	13 137 381
Departmental revenue	2	328	806
Local and foreign aid assistance	3	3 403	78 225
TOTAL REVENUE		15 964 158	13 216 412
EXPENDITURE			
Current expenditure			
Compensation of employees	4	99 367	71 918
Goods and services	5	145 993	140 528
Financial transactions in assets and liabilities	6	42	129
Local and foreign aid assistance	3	35 886	43 221
Total current expenditure		281 288	255 796
Transfers and subsidies	7	15 705 715	12 902 962
Expenditure for capital assets			
Machinery and Equipment	8	6 122	5 100
Software and other intangible assets	8	323	440
Total expenditure for capital assets		6 445	5 540
TOTAL EXPENDITURE		15 993 448	13 164 298
SURPLUS/(DEFICIT) FOR THE YEAR		(29 290)	52 114
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds	14	2 865	16 304
Departmental revenue	15	328	806
Local and foreign aid assistance	3	(32 483)	35 004
SURPLUS/(DEFICIT) FOR THE YEAR		(29 290)	52 114

Statement of financial position

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
ASSETS			
Current assets		81 929	79 628
Unauthorised expenditure	9	66 387	66 387
Cash and cash equivalents	10	38	59
Prepayments and advances	12	283	266
Receivables	13	3 259	12 916
Local and foreign aid assistance receivable	3	11 962	–
Non-current assets		31	8
Other financial assets	11	31	8
TOTAL ASSETS		81 960	79 636
LIABILITIES			
Current liabilities		81 938	79 628
Voted funds to be surrendered to the Revenue Fund	14	2 865	16 304
Departmental revenue to be surrendered to the Revenue Fund	15	7	3
Bank overdraft	16	56 383	16 581
Payables	17	67	3 603
Local and foreign aid assistance repayable	3	29	–
Local and foreign aid assistance unutilised	3	22 587	43 137
TOTAL LIABILITIES		81 938	79 628
NET ASSETS		22	8
Represented by:			
Capitalisation reserves		–	–
Recoverable revenue		22	8
Retained funds		–	–
Revaluation reserves (Housing dept)		–	–
TOTAL		22	8

Statement of changes in net assets

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
Capitalisation reserves			
Opening balance		–	–
Transfers		–	–
Movement in equity		–	–
Movement in operational funds		–	–
Other movements		–	–
Closing balance		–	–
Recoverable revenue			
Opening balance		8	11
Transfers		14	(3)
Debts written off		–	–
Debts revised		–	–
Debts recovered (included in departmental receipts)		(8)	(10)
Debts raised		22	7
Balance at 31 March 2006		22	8
Retained funds			
Balance at 1 April 2005		–	–
Transfer from Statement of Financial Performance		–	–
Utilised during the year		–	–
Other		–	–
Balance at 31 March 2006		–	–
Revaluation reserve			
Balance at 1 April 2005		–	–
Revaluation adjustment		–	–
Transfers		–	–
Other		–	–
Balance at 31 March 2006		–	–
TOTAL		22	8

Cash flow statement

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		15 964 158	13 216 412
Annual appropriated funds received	1,1	15 960 427	13 137 381
Departmental revenue received		328	806
Local and foreign aid assistance received	3	3 403	78 225
Net (increase)/decrease in working capital		6 104	(9 677)
Surrendered to Revenue Fund		(16 628)	(25 761)
Current payments		(281 288)	(255 796)
Transfers and subsidies paid		(15 705 715)	(12 902 962)
Net cash flow available from operating activities	18	(33 369)	22 216
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(6 445)	(5 540)
Payments for investments			
Proceeds from sale of capital assets		–	–
Proceeds from sale of investments			
Proceeds from sale of other financial assets		–	–
(Increase)/decrease in loans		–	
(Increase)/decrease in investments		–	
(Increase)/decrease in other financial assets		(23)	(1)
Net cash flows from investing activities		(6 468)	(5 541)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		–	–
Increase/(decrease) in net assets		14	(4)
Increase/(decrease) in non-current payables		–	–
Net cash flows from financing activities		14	(4)
Net increase/(decrease) in cash and cash equivalents		(39 823)	16 671
Cash and cash equivalents at beginning of period		(16 522)	(33 193)
Cash and cash equivalents at end of period	19	(56 345)	(16 522)

Notes to the annual financial statements

for the year ended 31 March 2006

	Final appropriation R'000	Actual funds received R'000	Funds not requested/ not received R'000	Appropriation Received 2004/05 R'000
1. ANNUAL APPROPRIATION				
1.1 Annual Appropriation				
Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds)				
Programmes				
Administration	91 074	91 074	–	89 349
Governance, Policy and Research	24 241	24 241	–	23 960
Urban and Rural Development	8 353	8 353	–	8 298
Systems and Capacity Building	83 939	83 939	–	69 693
Free Basic Services and Infrastructure	38 227	38 227	–	32 893
Provincial and Local Government Transfers	15 631 202	15 631 202	–	12 840 924
Fiscal Transfers	83 391	83 391	–	72 264
Total	15 960 427	15 960 427	–	13 137 381
		Notes	2005/06 R'000	2004/05 R'000
2. DEPARTMENTAL REVENUE TO BE SURRENDERED TO REVENUE FUND				
Sales of goods and services other than capital assets	2.1	81	62	
Fines, penalties and forfeits		55	–	
Interest, dividends and rent on land	2.2	3	2	
Financial transactions in assets and liabilities	2.3	189	742	
Total revenue collected		328	806	
<i>Less: Departmental revenue budgeted*</i>				
Total		328	806	
2.1 Sales of goods and services other than capital assets				
Sales of goods and services produced by the department		81	61	
Other sales		81	61	
Sales of scrap, waste and other used current goods		–	1	
Total		81	62	
2.2 Interest, dividends and rent on land				
Interest		3	2	
Total		3	2	
2.3 Financial transactions in assets and liabilities				
Nature of loss recovered				
Receivables		176	732	
Other receipts including recoverable revenue		13	10	
Total		189	742	

Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
3. LOCAL AND FOREIGN AID ASSISTANCE			
Assistance received in cash: Other			
Foreign			
Opening balance		(43 137)	(8 133)
Revenue		(3 403)	(78 225)
Expenditure		35 886	43 221
Current		35 886	43 221
Capital		–	–
Closing balance		(10 654)	(43 137)
Total			
Opening balance		(43 137)	(8 133)
Revenue		(3 403)	(78 225)
Expenditure		35 886	43 221
Current		35 886	43 221
Capital		–	–
Closing balance		(10 654)	(43 137)
Analysis of balance			
Local and foreign aid receivable		11 962	–
Local and foreign aid unutilised		(22 587)	(43 137)
Local foreign aid payable to RDP fund/donors		(29)	–
Closing balance		(10 654)	(43 137)
4. COMPENSATION OF EMPLOYEES			
4.1 Salaries and wages			
Basic salary		64 713	47 234
Performance award		3 004	1 722
Service Based		193	145
Compensative/circumstantial		933	719
Periodic payments		–	341
Other non-pensionable allowances		19 866	12 996
Total		88 709	63 157
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		7 449	6 483
Medical		3 197	2 269
Bargaining council		12	9
Total		10 658	8 761
Total compensation of employees		99 367	71 918
Average number of employees		411	372

Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
5. GOODS AND SERVICES			
Advertising		5 323	10 226
Attendance fees (including registration fees)		282	300
Bank charges and card fees		43	36
Bursaries (employees)		287	140
Communication		5 743	7 194
Computer services		3 811	4 323
Consultants, contractors and special services		52 167	51 558
Courier and delivery services		305	461
Drivers licences and permits		3	–
Entertainment		1 828	1 523
External audit fees	5.1	2 135	1 928
Equipment less than R5 000		944	983
Government motor transport		–	296
Helicopter services		20 179	–
Honoraria (Voluntary workers)		–	3
Inventory	5.2	4 705	4 176
Legal fees		902	916
Maintenance, repair and running costs		1 748	5 909
Medical services		–	12
Operating leases		3 245	2 425
Personnel agency fees		26	136
Photographic services		11	9
Plant flowers and other decorations		62	49
Printing and publications		1 683	2 364
Professional bodies and membership fees		16	5
Resettlement costs		395	200
Subscriptions		116	27
Owned and leasehold property expenditure		1 852	1 672
Translations and transcriptions		495	314
Travel and subsistence	5.3	31 143	35 507
Venues and facilities		5 461	6 332
Protective, special clothing and uniforms		10	–
Training and staff development		1 073	1 504
Total		145 993	140 528
5.1 External audit fees			
Regulatory audits		2 135	1 928
Performance audits		–	–
Other audits		–	–
Total external audit fees		2 135	1 928

Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
5.2 Inventory			
Domestic Consumables		149	136
Fuel,oil and gas		32	–
Other consumables		63	7
Parts and other maint mat		11	66
Sport and recreation		–	–
Stationery and Printing		4 445	3 962
Medical Supplies		5	5
Weapons and armaments		–	–
Total Inventory		4 705	4 176
5.3 Travel and subsistence			
Local		28 152	33 554
Foreign		2 991	1 953
Total travel and subsistence		31 143	35 507
6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES			
Other material losses written off	6.1	42	115
Debts written off	6.2	–	14
Total		42	129
6.1 Other material losses			
Nature of losses			
Cancellation fees on transport and subsistence		12	27
Car accident claims		19	85
Loss of luggage by Airport		11	–
Other		–	3
Total		42	115
6.2 Debts written off			
Nature of debts written off			
Transfer to debts written off			
State guarantee		–	14
Total		–	14
7. TRANSFERS AND SUBSIDIES			
Provinces and municipalities	ANNEXURE 1C, 1D, 1E and 1F	15 631 508	12 841 143
Departmental agencies and accounts	ANNEXURE 1G	67 814	60 126
Universities and technikons	ANNEXURE 1H	–	–
Foreign governments and international organisations	ANNEXURE 1J	–	114
Public corporations and private enterprises	ANNEXURE 1I	177	52
Non-profit institutions	ANNEXURE 1K	5 500	1 500
Households	ANNEXURE 1L	716	27
Unauthorised expenditure approved by Parliament		–	–
Total		15 705 715	12 902 962

Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
8. EXPENDITURE ON CAPITAL ASSETS			
Buildings and other fixed structures	ANNEXURE 4	–	–
Machinery and equipment	ANNEXURE 4	6 122	5 100
Biological or cultivated assets	ANNEXURE 4	–	–
Land and subsoil assets	ANNEXURE 4	–	–
Software and other intangible assets	ANNEXURE 5	323	440
Total		6 445	5 540
9. UNAUTHORISED EXPENDITURE			
9.1 Reconciliation of unauthorised expenditure			
Opening balance		66 387	66 387
Unauthorised expenditure – current year		–	–
Amounts approved by Parliament/Legislature (with funding)		–	–
Current Expenditure		–	–
Transfers and subsidies		–	–
Expenditure for capital assets		–	–
Amounts approved by Parliament/Legislature (without funding)		–	–
Current Expenditure		–	–
Transfers and subsidies		–	–
Expenditure for capital assets		–	–
Transfer to receivables for recovery (not approved)		–	–
Unauthorised expenditure awaiting authorisation		66 387	66 387
9.2 Analysis of current unauthorised expenditure			
Incident	Disciplinary steps taken/criminal proceedings	Total	
Savings on capital expenditure used for current expenditure 1993/94	Recommended in SCOPA fifth Report 2002 for approval by Parliament. Included in the Finance Bill, 2006 schedule 1	160	
Conference facilities at the World Trade Centre 1993/94	Recommended in SCOPA fifth Report 2003 for approval by Parliament. Included in the Finance Bill, 2006. RP No 132 – 1999 Schedule 1	66 227	
Total		66 387	
10. CASH AND CASH EQUIVALENTS			
Consolidated Paymaster General Account		–	–
Cash receipts		2	–
Disbursements		–	–
Cash on hand		20	14
Cash with commercial banks		16	45
Total		38	59

Notes to the annual financial statements

for the year ended 31 March 2006

Notes					2005/06 R'000	2004/05 R'000
11. OTHER FINANCIAL ASSETS						
Non-current						
Staff debtors					31	8
Total non-current other financial assets					31	8
12. PREPAYMENTS AND ADVANCES						
Description						
Staff advances					7	13
Travel and subsistence					87	214
Advances paid to other entities					189	39
SOCPEN advances					–	–
Total					283	266
13. RECEIVABLES						
		Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Staff debtors	13.1	515	162	–	677	223
Other debtors	13.2	2 479	–	72	2 551	9 547
Claims recoverable	Annex 6	31	–	–	31	3 146
Total		3 025	162	72	3 259	12 916
13.1 Staff debtors						
(Group major categories, but list material items)						
Tax debt					35	16
Bursary debt					2	10
Car accidents					585	141
Telephone debt					24	32
Salary overpayment					16	16
Other					15	8
Total					677	223
13.2 Other debtors						
Fraud warrant vouchers					72	72
Fraud payments to suppliers					64	–
Theft petty cash					15	–
VAT on donor projects					1 032	1 605
Suppliers					1 366	–
Irregular expenditure to be recovered					–	7 866
Other					2	4
Total					2 551	9 547

Notes to the annual financial statements

for the year ended 31 March 2006

Notes				2005/06 R'000	2004/05 R'000
14.	VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND				
	Opening balance			16 304	24 957
	Transfer from Statement of Financial Performance			2 865	16 304
	Voted funds not requested/not received			–	–
	Paid during the year			(16 304)	(24 957)
	Closing balance			2 865	16 304
15.	DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND				
	Opening balance			3	1
	Transfer from Statement of Financial Performance			328	806
	Departmental revenue budgeted			3	–
	Transfer from local and foreign aid assistance			–	–
	Paid during the year			(324)	(804)
	Closing balance			7	3
16.	BANK OVERDRAFT				
	Consolidated Paymaster General Account			32 294	16 581
	Fund requisition account			–	–
	Cash receipts			–	–
	Disbursements			24 089	–
	Commercial banks			–	–
	Total			56 383	16 581
17	PAYABLES – CURRENT				
	Description	30 days R'000	30+ days R'000	Total R'000	Total R'000
	Amounts owing to other entities	–	–	–	3 395
	Other payables	66	1	67	208
	Total	66	1	67	3 603
	17.1 Other payables				
	Description				
	(Identify major categories, but list material amounts)				
	Salaries and deductions			57	8
	Suppliers			10	194
	Other			–	6
	Total			67	208

Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000	
18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES				
Net surplus/(deficit) as per Statement of Financial Performance		(29 290)	52 114	
Non-cash movements		–	–	
(Increase)/decrease in receivables – current		9 657	(3 919)	
(Increase)/decrease in prepayments and advances		(17)	(163)	
(Increase)/decrease in other current assets		–	–	
Increase/(decrease) in payables – current		(3 536)	(5 595)	
Proceeds from sale of capital assets		–	–	
Proceeds from sale of investments		–	–	
Proceeds on sale of other financial assets		–	–	
Surrenders to revenue fund		(16 628)	(25 761)	
Expenditure on capital assets		6 445	5 540	
Voted funds not requested/not received		–	–	
Other non cash items				
Net cash flow generated by operating activities		(33 369)	22 216	
19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES				
Consolidated Paymaster General Account		32 294	16 581	
Fund requisition account		–	–	
Cash receipts		(2)	–	
Disbursements		24 089	–	
Cash on hand		(20)	(14)	
Cash with commercial banks		(16)	(45)	
Total		56 345	16 522	
These amounts are not recognised in the financial statements and are disclosed to enhance the usefulness of the financial statements.				
20. CONTINGENT LIABILITIES				
Liable to	Nature			
Motor vehicle guarantees	Employees	Annexure 3A	891	432
Housing loan guarantees	Employees	Annexure 3A	306	481
Claims against the department		Annexure 3B	575	–
Other departments (interdepartmental unconfirmed balances)		Annexure 7	48	2 007
Total		1 820	2 920	

Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
21 COMMITMENTS			
Current expenditure			
Approved and contracted		13 695	16 059
Approved but not yet contracted		2 406	4 245
		16 101	20 304
Capital expenditure			
Approved and contracted		713	104
Approved but not yet contracted		168	145
		881	249
Total commitments		16 982	20 553
22 ACCRUALS			
By economic classification	30 Days R'000	30+ Days R'000	Total R'000
Compensation of employees	2	–	2
Goods and services	2 856	815	3 671
Transfers and Subsidies	11	–	11
Machinery and Equipment	–	–	–
Total			3 684
Listed by programme level			
Programme 1 – Administration			1 223
Programme 2 – Governance, Policy and Research			456
Programme 3 – Urban and Rural Development			42
Programme 4 – Systems and Capacity Building			1 488
Programme 5 – Free Basic Services and Infrastructure			505
Programme 7 – Fiscal Transfers			50
Total			3 684
Confirmed balances with other departments	Annexure 7	255	3 499
Total		255	3 499
23 EMPLOYEE BENEFIT PROVISIONS			
Leave entitlement		2 073	1 692
Thirteenth cheque		2 597	2 004
Capped leave commitments		4 324	4 959
Total		8 994	8 655

24 LEASE COMMITMENTS

		Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000	Total R'000
24.1	Finance Lease					
	Not later than 1 year					
	Later than 1 year and not later than 5 years	–	–	6 002	6 002	6 737
	Later than five years	–	–	–	–	
	Total present value of lease liabilities	–	–	6 002	6 002	6 737
					2005/06 R'000	2004/05 R'000
25	IRREGULAR EXPENDITURE					
25.1	Reconciliation of irregular expenditure					
	Opening balance				22 795	20 559
	Irregular expenditure – current year				3 040	2 236
	Amounts condoned				–	–
	Current expenditure				–	–
	Transfers and subsidies				–	–
	Expenditure for capital assets				–	–
	Transfers to receivable for recovery (not condoned)				–	–
	Irregular expenditure awaiting condonement				25 835	22 795
	Analysis					
	Current				3 040	2 236
	Prior years				22 795	20 559
	Total				25 835	22 795
25.2	Irregular expenditure					
	Incident					
	Contracts were entered into between the Command Centre and various third parties in 2000/01 and 2001/02 without adhering to State Tender Board procedures				20 559	20 559
	Leases of office equipment				3 856	1 603
	Leases of office equipment				1 266	633
	Leases of motor vehicles				154	
	Total				25 835	22 795

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Notes to the annual financial statements

for the year ended 31 March 2006

	Notes	2005/06 R'000	2004/05 R'000
26 KEY MANAGEMENT PERSONNEL			
Description	No of Individuals	Total R'000	Total R'000
Political Office Bearers Officials	2	1 771	1 688
Level 15 to 16	7	4 568	3 558
Level 14	24	12 680	13 150
Family members of key management personnel		–	–
Total		19 019	18 396
The aggregate remuneration of 33 key management personnel amounted to R19 019 million			
27 PROVISIONS			
Potential irrecoverable debts			
Staff debtors		72	72
		72	72

Notes

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Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1A – STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES

	Grant allocation				
Name of Province	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	
Municipal Infrastructure Grant					
Western Cape	–	–	–	–	
Northern Cape	–	–	–	–	
Eastern Cape	–	–	–	–	
Free State	–	–	–	–	
KwaZulu Natal	–	–	–	–	
Mpumalanga	–	–	–	–	
Limpopo	–	–	–	–	
North West	–	–	–	–	
Gauteng	–	–	–	–	
Subtotal					
Local Government Capacity Building					
Western Cape	–	–	–	–	
Northern Cape	–	–	–	–	
Eastern Cape	–	–	–	–	
Free State	–	–	–	–	
KwaZulu Natal	–	–	–	–	
Mpumalanga	–	–	–	–	
Limpopo	–	–	–	–	
North West	–	–	–	–	
Gauteng	–	–	–	–	
Subtotal					
Disaster Relief					
Eastern Cape	–	–	16 200	16 200	
Western Cape	–	–	24 500	24 500	
Subtotal	–	–	40 700	40 700	
Total	–	–	40 700	40 700	

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1A – STATEMENT OF CONDITIONAL GRANTS PAID TO PROVINCES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by Province R'000	Amount spent by Province R'000	% of available funds spent by Province %	Division of Revenue Act R'000
–	–	–	–	–	3 584
–	–	–	–	–	1 843
–	–	–	–	–	9 169
–	–	–	–	–	5 218
–	–	–	–	–	9 853
–	–	–	–	–	3 424
–	–	–	–	–	4 299
–	–	–	–	–	2 808
–	–	–	–	–	5 664
					45 862
–	–	–	–	–	31 767
–	–	–	–	–	24 240
–	–	–	–	–	35 184
–	–	–	–	–	45 548
–	–	–	–	–	34 564
–	–	–	–	–	25 830
–	–	–	–	–	40 208
–	–	–	–	–	22 753
–	–	–	–	–	19 172
					279 266
16 189	99,9%	16 189	16 189	100,0%	–
24 500	100,0%	24 500	17 911	73,1%	–
40 689	100,0%	40 689	34 100	83,8%	–
40 689		40 689	34 100		325 128

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Municipal Systems Improvement Grant				
Eastern Cape				
Nelson Mandela	4 000	–	–	4 000
Ikwezi	150	–	–	150
Makana	900	–	–	900
Kouga	150	–	–	150
Cacadu District	1 000	–	–	1 000
Mbhashe	734	–	–	734
Mnquma	734	–	–	734
Buffalo City	4 250	–	–	4 250
Amatole District	1 750	–	–	1 750
Tsolwana	150	–	150	150
Inkwanca	–	–	–	–
Lukhanji	1 000	–	–	1 000
Intsika Yethu	734	–	–	734
Emalahleni	734	–	–	734
Engcobo	734	–	–	734
Sakhisizwe	734	–	–	734
Chris Hani District	1 000	–	1 000	1 000
Elundini	734	–	–	734
Ukhahlamba District	1 000	–	–	1 000
Mbizana	734	–	–	734
Ntabankulu	734	–	–	734
Qaukeni	734	–	–	734
Port St. Johns	734	–	–	734
Nyandeni	734	–	–	734
Mhlontlo	734	–	–	734
King Sabata Dalindyebo	884	–	–	884
O.R. Tambo District	1 000	–	–	1 000
Umzimkhulu	734	–	–	734
Umzimvubu	734	–	–	734
Alfred Nzo District	1 000	–	–	1 000
	29 244	–	–	29 244
Free State				
Kopanong	734	–	–	734
Mohokare	734	–	–	734
Xhariep District	1 000	–	–	1 000
Naledi	734	–	–	734
Mangaung	1 250	–	–	1 250
Mantsopa	750	–	–	750
Motheo District	1 000	–	–	1 000
Tokologo	734	–	–	734
Tswelopele	734	–	–	734
Matjhabeng	2 000	–	–	2 000
Nala	734	–	–	734
Lejweleputswa District Municipality	1 000	–	–	1 000
Setsoto	734	–	–	734
Maluti-a-Phofung	734	–	–	734
Phumelela	734	–	–	734
Thabo Mofutsanyana District	1 000	–	–	1 000
Moqhaka	734	–	–	734
Northern Free State District	1 000	–	–	1 000
	16 340	–	–	16 340

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
4 000	100,0%	4 000	1 221	30,5%	2 000
150	100,0%	150	80	53,3%	–
900	100,0%	900	900	100,0%	100
150	100,0%	150	73	48,7%	–
1 000	100,0%	1 000	2	0,2%	3 300
734	100,0%	734	38	5,2%	–
734	100,0%	734	46	6,3%	–
4 250	100,0%	4 250	2 763	65,0%	2 750
1 750	100,0%	1 750	1 750	100,0%	3 350
150	100	150	102	68,0%	–
–	–	–	–	–	500
1 000	100,0%	1 000	–	2 000	–
734	100,0%	734	–	–	–
734	100,0%	734	147	20,0%	–
734	100,0%	734	–	–	–
734	100,0%	734	160	21,8%	–
100,0%	100,0%	1 000	1 000	100,0%	3 438
734	100,0%	734	–	–	–
1 000	100,0%	1 000	–	–	3 400
734	100,0%	734	–	–	–
734	100,0%	734	250	34,1%	–
734	100,0%	734	–	–	–
734	100,0%	734	734	100,0%	–
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
884	100,0%	884	102	11,5%	100
1 000	100,0%	1 000	865	86,5%	2 975
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	479	47,9%	2 800
29 244	100,0%	29 244	10 712	36,6%	26 713
734	100,0%	734	734	100,0%	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	496	49,6%	2 675
734	100,0%	734	–	–	–
1 250	100,0%	1 250	–	–	500
750	100,0%	750	–	–	–
1 000	100,0%	1 000	496	49,6%	2 450
734	100,0%	734	–	–	–
734	100,0%	734	364	49,6%	–
2 000	100,0%	2 000	1 771	88,6%	–
734	100,0%	734	365	49,7%	–
1 000	100,0%	1 000	1 000	100,0%	3 305
734	100,0%	734	672	91,6%	–
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	1 000	100,0%	3 500
734	100,0%	734	–	–	–
1 000	100,0%	1 000	–	–	2 875
16 340	100,0%	16 340	6 898	42,2%	15 305

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Gauteng				
Ekurhuleni	2 000	–	–	2 000
City of Johannesburg	4 000	–	–	4 000
City of Tshwane	3 000	–	–	3 000
Kungwini	734	–	–	734
Metsweding District	1 000	–	–	1 000
Lesedi	750	–	–	750
Sedibeng District	1 750	–	–	1 750
Mogale City	–	–	–	–
Randfontein	150	–	–	150
Westonaria	250	–	–	250
Merafong City	734	–	–	734
West Rand District	1 000	–	–	1 000
	15 368	–	–	15 368
KwaZulu-Natal				
eThekweni	2 000	–	–	2 000
Vulamehlo	734	–	–	734
Umzumbe	734	–	–	734
Ugu District	1 000	–	–	1 000
uMshwathi	734	–	–	734
uMngeni	2 734	–	–	2 734
Mooi Mpofana	150	–	–	150
Mkhambathini	734	–	–	734
Richmond	734	–	–	734
uMgungundlovu District	1 000	–	–	1 000
Indaka	734	–	–	734
Okhahlamba	734	–	–	734
Uthukela District	1 000	–	–	1 000
Nquthu	734	–	–	734
Msinga	734	–	–	734
Umzinyathi District	1 000	–	–	1 000
Utrecht	734	–	–	734
Amajuba District	1 000	–	–	1 000
Abaqulusi	734	–	–	734
Nongoma	734	–	–	734
Ulundi	734	–	–	734
Zululand District	1 000	–	–	1 000
Umkhlabuyalingana	734	–	–	734
Jozini	734	–	–	734
The Big Five False Bay	734	–	–	734
Hlabisa	734	–	–	734
Umkhanyakude District	1 000	–	–	1 000
Mbonambi	734	–	–	734
Ntambanana	734	–	–	734
Umlalazi	734	–	–	734
Mthonjaneni	734	–	–	734
Nkandla	734	–	–	734
uThungulu District	1 000	–	–	1 000
Ndwedwe	734	–	–	734
Maphumulo	734	–	–	734
Ilembe District	1 000	–	–	1 000
Ingwe	734	–	–	734
Kwa Sani	734	–	–	734
Greater Kokstad	2 734	–	–	2 734
Ubuhlebezwe	734	–	–	734
Sisonke District	1 000	–	–	1 000
	37 436	–	–	37 436

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
2 000	100,0%	2 000	2 000	100,0%	2 500
4 000	100,0%	4 000	4 000	100,0%	2 000
3 000	100,0%	3 000	–	–	2 000
734	100,0%	734	–	–	–
1 000	100,0%	1 000	–	–	2 875
750	100,0%	750	–	–	–
1 750	100,0%	1 750	991	56,6%	3 100
–	–	–	–	–	1 250
150	100,0%	150	115	76,7%	100
250	100,0%	250	–	–	–
734	100,0%	734	176	24,0%	–
1 000	100,0%	1 000	342	34,2%	3 100
15 368	100,0%	15 368	7 624	49,6%	16 925
2 000	100,0%	2 000	2 000	100,0%	2 250
734	100,0%	734	62	8,4%	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	251	25,1%	3 800
734	100,0%	734	–	–	–
2 734	100,0%	2 734	1 705	62,4%	–
150	100,0%	150	–	–	–
734	100,0%	734	521	71,0%	–
734	100,0%	734	103	14,0%	–
1 000	100,0%	1 000	857	85,7%	3 675
734	100,0%	734	97	13,2%	–
734	100,0%	734	50	6,8%	–
1 000	100,0%	1 000	482	48,2%	3 475
734	100,0%	734	66	9,0%	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	619	61,9%	3 400
734	100,0%	734	–	–	–
1 000	100,0%	1 000	329	32,9%	2 875
734	100,0%	734	–	–	–
734	100,0%	734	394	53,7%	–
734	100,0%	734	311	42,4%	–
1 000	100,0%	1 000	91	9,1%	2 900
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
734	100,0%	734	52	7,1%	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	341	34,1%	3 000
734	100,0%	734	204	27,8%	–
734	100,0%	734	53	7,2%	–
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	697	69,7%	2 900
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	642	64,2%	2 900
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
2 734	100,0%	2 734	589	21,5%	2 500
734	100,0%	734	35	4,8%	–
1 000	100,0%	1 000	122	12,2%	2 950
37 436	100,0%	37 436	10 673	28,5%	36 625

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Limpopo				
Makhuduthamaga	1 870	–	–	1 870
Fetakgomo	734	–	–	734
Greater Marble Hall	734	–	–	734
Greater Groblersdal	734	–	–	734
Greater Tubatse	1 484	–	–	1 484
Greater Sekhukhune	1 150	–	–	1 150
Maruleng	734	–	–	734
Bushbuckridge	884	–	–	884
Bohlabela District	1 000	–	–	1 000
Greater Giyani	734	–	–	734
Greater Letaba	734	–	–	734
Ba-Phalaborwa	150	–	–	150
Mopani District	1 900	–	–	1 900
Mutale	734	–	–	734
Thulamela	734	–	–	734
Makhado	1 644	–	–	1 644
Vhembe District	1 000	–	–	1 000
Blouberg	772	–	–	772
Aganang	734	–	–	734
Polokwane	–	–	–	–
Lepelle-Nkumpi	734	–	–	734
Capricorn District	1 000	–	–	1 000
Thabazimbi	734	–	–	734
Modimolle	750	–	–	750
Waterberg District	1 000	–	–	1 000
	22 678	–	–	22 678
Mpumalanga				
Albert Luthuli	1 484	–	–	1 484
Msukaligwa	734	–	–	734
Mkhondo	734	–	–	734
Pixley Ka Seme	734	–	–	734
Lekwa	750	–	–	750
Govan Mbeki	734	–	–	734
Gert Sibande District	1 000	–	–	1 000
Delmas	734	–	–	734
Emalahleni	1 500	–	–	1 500
Steve Tshwete	984	–	–	984
Emakhazeni	734	–	–	734
Thembisile	1 634	–	–	1 634
Dr JS Moroka	2 484	–	–	2 484
Nkangala District	1 750	–	–	1 750
Thaba Chweu	734	–	–	734
Mbombela	734	–	–	734
Umjindi	734	–	–	734
Nkomazi	1 484	–	–	1 484
Ehlanzeni District	1 000	–	–	1 000
	20 676	–	–	20 676

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
1 870	100,0%	1 870	412	22,0%	–
734	100,0%	734	217	29,6%	–
734	100,0%	734	–	–	–
734	100,0%	734	679	92,5%	–
1 484	100,0%	1 484	566	38,1%	1 200
1 150	100,0%	1 150	802	69,7%	4 000
734	100,0%	734	–	–	–
884	100,0%	884	22	2,5%	100
1 000	100,0%	1 000	–	–	2 775
734	100,0%	734	59	8,0%	–
734	100,0%	734	24	3,3%	–
150	100,0%	150	18	12,0%	–
1 900	100,0%	1 900	1 339	70,5%	3 275
734	100,0%	734	53	7,2%	–
734	100,0%	734	54	7,4%	–
1 644	100,0%	1 644	503	30,6%	100
1 000	100,0%	1 000	988	98,8%	3 300
772	100,0%	772	–	–	–
734	100,0%	734	168	22,9%	–
–	–	–	–	–	250
734	100,0%	734	–	–	–
1 000	100,0%	1 000	1 000	100,0%	3 175
734	100,0%	734	328	44,7%	–
750	100,0%	750	–	–	–
1 000	100,0%	1 000	1 000	100,0%	3 150
22 678	100,0%	22 678	8 232	36,3%	21 325
1 484	100,0%	1 484	–	–	1 900
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
734	100,0%	734	469	63,9%	–
750	100,0%	750	29	3,9%	3 600
734	100,0%	734	584	79,6%	–
1 000	100,0%	1 000	258	25,8%	2 500
734	100,0%	734	–	–	–
1 500	100,0%	1 500	–	–	2 003
984	100,0%	984	–	–	–
734	100,0%	734	298	40,6%	–
1 634	100,0%	1 634	1 458	89,2%	1 503
2 484	100,0%	2 484	954	38,4%	–
1 750	100,0%	1 750	1 750	100,0%	3 200
734	100,0%	734	–	–	–
734	100,0%	734	–	–	–
734	100,0%	734	118	16,1%	250
1 484	100,0%	1 484	242	16,3%	2 000
1 000	100,0%	1 000	60	6,0%	3 100
20 676	100,0%	20 676	6 220	30,1%	20 056

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Northern Cape				
Gamagara	900	–	–	900
Ga-Segonyana	734	–	–	734
Kgalagadi District	1 750	–	–	1 750
Kamiesberg	734	–	–	734
Hantam	734	–	–	734
Karoo Hoogland	984	–	–	984
Namakwa District	1 000	–	–	1 000
Ubuntu	734	–	–	734
Umsobomvu	734	–	–	734
Kareeberg	734	–	–	734
Renosterberg	734	–	–	734
Thembelihle	734	–	–	734
Siyancuma	734	–	–	734
Karoo District	1 000	–	–	1 000
Mier	734	–	–	734
Kaiy Garib	734	–	–	734
YKheis	734	–	–	734
Tsantsabane	2 734	–	–	2 734
Siyanda District	1 000	–	–	1 000
Dikgatlong	734	–	–	734
Phokwane	734	–	–	734
Frances Baard District	1 000	–	–	1 000
	20 644	–	–	20 644
North West				
Moretele	3 734	–	–	3 734
Moses Kotane	734	–	–	734
Bojanala Platinum District	1 000	–	–	1 000
Ratlou	734	–	–	734
Tswaing	734	–	–	734
Mafikeng	3 734	–	–	3 734
Ditsobotla	734	–	–	734
Zeerust	734	–	–	734
Central District	1 000	–	–	1 000
Kagisano	734	–	–	734
Mamusa	734	–	–	734
Greater Taung	734	–	–	734
Molopo	734	–	–	734
Lekwa-Teemane	734	–	–	734
Bophirima District	1 000	–	–	1 000
Ventersdorp	734	–	–	734
Southern District	1 000	–	–	1 000
	19 542	–	–	19 542

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for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
900	100,0%	900	–	–	100
734	100,0%	734	7	1,0%	–
1 750	100,0%	1 750	1 703	97,3%	3 500
734	100,0%	734	734	100,0%	–
734	100,0%	734	100	13,6%	–
984	100,0%	984	560	56,9%	–
1 000	100,0%	1 000	1 000	100,0%	3 100
734	100,0%	734	–	–	–
734	100,0%	734	16	2,2%	–
734	100,0%	734	18	2,5%	–
734	100,0%	734	–	–	–
734	100,0%	734	105	14,3%	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	771	77,1%	2 675
734	100,0%	734	–	–	–
734	100,0%	734	80	10,9%	–
734	100,0%	734	62	8,4%	–
2 734	100,0%	2 734	61	2,2%	–
1 000	100,0%	1 000	639	63,9%	2 675
734	100,0%	734	136	18,5%	–
734	100,0%	734	106	14,4%	–
1 000	100,0%	1 000	1 000	100,0%	3 825
20 644	100,0%	20 644	7 098	34,4%	15 875
3 734	100,0%	3 734	–	–	1 097
734	100,0%	734	–	–	–
1 000	100,0%	1 000	654	65,4%	2 700
734	100,0%	734	211	28,7%	–
734	100,0%	734	–	–	–
3 734	100,0%	3 734	2 247	60,2%	1 250
734	100,0%	734	21	2,9%	–
734	100,0%	734	–	–	–
1 000	100,0%	1 000	932	93,2%	2 675
734	100,0%	734	383	52,2%	–
734	100,0%	734	21	2,9%	–
734	100,0%	734	–	–	–
734	100,0%	734	734	100,0%	–
734	100,0%	734	383	52,2%	–
1 000	100,0%	1 000	1 000	100,0%	3 700
734	100,0%	734	55	7,5%	–
1 000	100,0%	1 000	737	73,7%	2 350
19 542	100,0%	19 542	7 378	37,8%	13 772

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Western Cape				
City of Cape Town	2 000	–	–	2 000
Matzikama	984	–	–	984
Cederberg	1 734	–	–	1 734
Saldanha Bay	750	–	–	750
West Coast District	1 750	–	–	1 750
Witzenberg	734	–	–	734
Breede Valley	150	–	–	150
Cape Winelands District	1 000	–	–	1 000
Threewaterskloof	734	–	–	734
Overberg District	1 000	–	–	1 000
Kannaland	2 884	–	–	2 884
Plettenberg Bay	–	–	–	–
Knysna	150	–	–	150
Eden District	1 000	–	–	1 000
Laingsburg	734	–	–	734
Prince Albert	734	–	–	734
Beaufort West	734	–	–	734
Central Karoo District	1 000	–	–	1 000
	18 072	–	–	18 072
Subtotal	200 000	–	–	200 000
Municipal Infrastructure Grant				
Eastern Cape				
Nelson Mandela	71 372	–	–	71 372
Makana	7 839	–	–	7 839
Ndlambe	5 303	–	–	5 303
Sundays River Valley	6 674	–	–	6 674
Kouga	5 580	–	–	5 580
Cacadu District Municipality	25 796	–	–	25 796
Mnquma	14 657	–	–	14 657
Buffalo City	85 603	–	–	85 603
Ngqushwa	3 999	–	–	3 999
Amatole District Municipality	148 259	–	–	148 259
Lukhanji	6 996	–	–	6 996
Engcobo	6 340	–	–	6 340
Chris Hani District Municipality	135 003	–	–	135 003
Senqu	6 565	–	–	6 565
Ukhahlamba District Municipality	91 670	–	–	91 670
Mbizana	8 787	–	–	8 787
Port St. Johns	5 815	–	–	5 815
King Sabata Dalindyebo	16 011	–	–	16 011
O.R. Tambo District Municipality	296 751	–	–	296 751
Umzimkhulu	6 843	–	–	6 843
Umzimvubu	7 706	–	–	7 706
Alfred Nzo District Municipality	100 248	–	–	100 248
	1 063 817	–	–	1 063 817

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
2 000	100,0%	2 000	–		2 000
984	100,0%	984	–		–
1 734	100,0%	1 734	322	18,6%	–
750	100,0%	750	–		–
1 750	100,0%	1 750	944	53,9%	2 000
734	100,0%	734	225	30,7%	–
150	100,0%	150	–		100
1 000	100,0%	1 000	1 000	100,0%	2 400
734	100,0%	734	–		–
1 000	100,0%	1 000	980	98,0%	2 350
2 884	100,0%	2 884	998	34,6%	100
–		–	–		1 097
150	100,0%	150	150	100,0%	100
1 000	100,0%	1 000	494	49,4%	2 400
734	100,0%	734	318	43,3%	–
734	100,0%	734	81	11,0%	–
734	100,0%	734	406	55,3%	–
1 000	100,0%	1 000	547	54,7%	3 100
18 072	100,0%	18 072	6 465	35,8%	15 647
200 000	100,0%	200 000	71 300	35,7%	182 243
71 372	100,0%	71 372	68 788	96,4%	65 469
7 839	100,0%	7 839	2 307	29,4%	–
5 303	100,0%	5 303	5 303	100,0%	–
6 674	100,0%	6 674	6 674	100,0%	–
5 580	100,0%	5 580	1 339	24,0%	–
25 796	100,0%	25 796	18 119	70,2%	27 907
14 657	100,0%	14 657	14 106	96,2%	–
85 603	100,0%	85 603	85 603	100,0%	71 270
3 999	100,0%	3 999	1 260	31,5%	–
148 259	100,0%	148 259	121 934	82,2%	139 883
6 996	100,0%	6 996	6 600	94,3%	–
6 340	100,0%	6 340	6 340	100,0%	–
135 003	100,0%	135 003	72 018	53,3%	119 457
6 565	100,0%	6 565	5 467	83,3%	–
91 670	100,0%	91 670	50 635	55,2%	71 023
8 787	100,0%	8 787	2 212	25,2%	–
5 815	100,0%	5 815	1 783	30,7%	–
16 011	100,0%	16 011	16 011	100,0%	13 698
296 751	100,0%	296 751	174 714	58,9%	269 948
6 843	100,0%	6 843	6 483	94,7%	–
7 706	100,0%	7 706	6 093	79,1%	–
100 248	100,0%	100 248	75 043	74,9%	105 965
1 063 817	100,0%	1 063 817	748 832	70,4%	884 620

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for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Free State				
Letsemeng	3 904	–	–	3 904
Mohokare	3 000	–	–	3 000
Xhariep District Municipality	13 347	–	–	13 347
Naledi	3 000	–	–	3 000
Mangaung	79 430	–	–	79 430
Mantsopa	6 318	–	–	6 318
Motheo District Municipality	13 245	–	–	13 245
Masilonyana	5 261	–	–	5 261
Tswelopele	6 947	–	–	6 947
Matjhabeng	74 266	–	–	74 266
Nala	24 418	–	–	24 418
Lejweleputswa District Municipality	14 162	–	–	14 162
Setsoto	17 491	–	–	17 491
Dihlabeng	26 754	–	–	26 754
Nketoana	11 110	–	–	11 110
Maluti-a-Phofung	52 684	–	–	52 684
Phumelela	3 000	–	–	3 000
Thabo Mofutsanyana District Municipality	13 828	–	–	13 828
Moqhaka	17 254	–	–	17 254
Ngwathe	19 981	–	–	19 981
Metsimaholo	14 172	–	–	14 172
Mafube	8 341	–	–	8 341
Northern Free State District Municipality	3 000	–	–	3 000
	434 913	–	–	434 913
Gauteng	–			
Ekurhuleni	222 050	–	–	222 050
City of Johannesburg	247 721	–	–	247 721
City of Tshwane	182 126	–	–	182 126
Metsweding District Municipality	20 323	–	–	20 323
Emfuleni	46 279	–	–	46 279
Midvaal	6 551	–	–	6 551
Lesedi	10 997	–	–	10 997
Sedibeng District Municipality	11 000	–	–	11 000
Mogale City	26 646	–	–	26 646
Randfontein	9 687	–	–	9 687
Westonaria	25 552	–	–	25 552
Merafong City	30 453	–	–	30 453
West Rand District Municipality	2 029	–	–	2 029
	841 414	–	–	841 414

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ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
3 904	100,0%	3 904	494	12,7%	–
3 000	100,0%	3 000	2 712	90,4%	–
13 347	100,0%	13 347	5 571	41,7%	9 555
3 000	100,0%	3 000	2 286	76,2%	–
79 430	100,0%	79 430	76 981	96,9%	64 182
6 318	100,0%	6 318	6 095	96,5%	–
13 245	100,0%	13 245	8 083	61,0%	7 432
5 261	100,0%	5 261	2 536	48,2%	–
6 947	100,0%	6 947	6 686	96,2%	–
74 266	100,0%	74 266	28 529	38,4%	50 278
24 418	100,0%	24 418	18 233	74,7%	–
14 162	100,0%	14 162	5 982	42,2%	27 199
17 491	100,0%	17 491	12 371	70,7%	–
26 754	100,0%	26 754	26 754	100,0%	–
11 110	100,0%	11 110	7 603	68,4%	–
52 684	100,0%	52 684	44 177	83,9%	37 638
3 000	100,0%	3 000	–	–	–
13 828	100,0%	13 828	5 989	43,3%	61 408
17 254	100,0%	17 254	12 015	69,6%	10 142
19 981	100,0%	19 981	15 961	79,9%	–
14 172	100,0%	14 172	12 749	90,0%	10 414
8 341	100,0%	8 341	5 985	71,8%	–
3 000	100,0%	3 000	2 671	89,0%	35 723
434 913	100,0%	434 913	310 463	71,4%	313 971
222 050	100,0%	222 050	125 814	56,7%	194 254
247 721	100,0%	247 721	220 168	88,9%	217 330
182 126	100,0%	182 126	101 189	55,6%	152 239
20 323	100,0%	20 323	12 325	60,6%	12 928
46 279	100,0%	46 279	7 225	15,6%	35 915
6 551	100,0%	6 551	1 882	28,7%	–
10 997	100,0%	10 997	7 540	68,6%	–
11 000	100,0%	11 000	9 670	87,9%	10 062
26 646	100,0%	26 646	25 820	96,9%	23 747
9 687	100,0%	9 687	6 107	63,0%	8 288
25 552	100,0%	25 552	13 572	53,1%	–
30 453	100,0%	30 453	18 775	61,7%	21 776
2 029	100,0%	2 029	–	–	22 682
841 414	100,0%	841 414	550 087	65,4%	699 221

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ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation				Total available R'000
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000		
KwaZulu-Natal	–				
eThekweni	260 311	–	–		260 311
Umdoni	5 173	–	–		5 173
Hibiscus Coast	17 571	–	–		17 571
Ugu District Municipality	95 091	–	–		95 091
uMngeni	2 863	–	–		2 863
Msunduzi	44 246	–	–		44 246
Mkhambathini	2 141	–	–		2 141
uMgungundlovu District Municipality	46 604	–	–		46 604
Emnambithi/Ladysmith	6 805	–	–		6 805
Uthukela District Municipality	64 150	–	–		64 150
Umvoti	4 249	–	–		4 249
Umzinyathi District Municipality	77 205	–	–		77 205
Newcastle	23 535	–	–		23 535
Amajuba District Municipality	17 525	–	–		17 525
Zululand District Municipality	124 755	–	–		124 755
Umhlabuyalingana	5 290	–	–		5 290
Umkhanyakude District Municipality	83 545	–	–		83 545
Mbonambi	3 675	–	–		3 675
uMhlathuze	25 533	–	–		25 533
Nkandla	4 909	–	–		4 909
uThungulu District Municipality	77 691	–	–		77 691
KwaDukuza	9 124	–	–		9 124
Maphumulo	4 274	–	–		4 274
Ilembe District Municipality	66 991	–	–		66 991
Ingwe	4 099	–	–		4 099
Greater Kokstad	3 509	–	–		3 509
Sisonke District Municipality	35 414	–	–		35 414
	1 116 278	–	–		1 116 278
Limpopo					
Makhuduthamaga	10 135	–	–		10 135
Greater Groblersdal	8 414	–	–		8 414
Greater Sekhukhune Cross Boundary	153 289	–	–		153 289
Bohlabela District Municipality	94 922	–	–		94 922
Greater Tzaneen	16 456	–	–		16 456
Mopani District Municipality	98 257	–	–		98 257
Thulamela	20 969	–	–		20 969
Makhado	18 442	–	–		18 442
Vhembe District Municipality	86 737	–	–		86 737
Polokwane	69 081	–	–		69 081
Capricorn District Municipality	78 824	–	–		78 824
Lephalale	12 639	–	–		12 639
Mookgopong	3 710	–	–		3 710
Bela Bela	3 992	–	–		3 992
Waterberg District Municipality	51 902	–	–		51 902
	727 769	–	–		727 769

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ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
260 311	100,0%	260 311	260 311	100,0%	226 133
5 173	100,0%	5 173	5 172	100,0%	–
17 571	100,0%	17 571	15 420	87,8%	6 392
95 091	100,0%	95 091	95 091	100,0%	92 283
2 863	100,0%	2 863	2 538	88,6%	–
44 246	100,0%	44 246	35 710	80,7%	37 855
2 141	100,0%	2 141	104	4,9%	–
46 604	100,0%	46 604	39 380	84,5%	36 144
6 805	100,0%	6 805	6 710	98,6%	5 822
64 150	100,0%	64 150	64 150	100,0%	52 596
4 249	100,0%	4 249	4 249	100,0%	–
77 205	100,0%	77 205	76 524	99,1%	72 617
23 535	100,0%	23 535	19 769	84,0%	20 136
17 525	100,0%	17 525	17 338	98,9%	14 424
124 755	100,0%	124 755	124 755	100,0%	95 286
5 290	100,0%	5 290	388	7,3%	–
83 545	100,0%	83 545	69 270	82,9%	85 184
3 675	100,0%	3 675	1 480	40,3%	–
25 533	100,0%	25 533	25 533	100,0%	24 612
4 909	100,0%	4 909	4 563	93,0%	–
77 691	100,0%	77 691	77 691	100,0%	68 680
9 124	100,0%	9 124	2 972	32,6%	7 806
4 274	100,0%	4 274	849	19,9%	–
66 991	100,0%	66 991	48 529	72,4%	61 743
4 099	100,0%	4 099	4 099	100,0%	–
3 509	100,0%	3 509	1 857	52,9%	–
35 414	100,0%	35 414	35 414	100,0%	35 304
1 116 278	100,0%	1 116 278	1 039 866	93,2%	943 017
10 135	100,0%	10 135	3 351	44,1%	–
8 414	100,0%	8 414	3 710	38,4%	–
153 289	100,0%	153 289	58 840	82,0%	143 826
94 922	100,0%	94 922	77 797	60,3%	76 088
16 456	100,0%	16 456	9 922	82,7%	14 079
98 257	100,0%	98 257	81 213	91,5%	78 823
20 969	100,0%	20 969	19 179	44,9%	–
18 442	100,0%	18 442	8 289	99,3%	–
86 737	100,0%	86 737	86 103	34,9%	97 440
69 081	100,0%	69 081	24 129	63,2%	59 857
78 824	100,0%	78 824	49 793	90,8%	64 098
12 639	100,0%	12 639	11 482	100,0%	–
3 710	100,0%	3 710	3 710	100,0%	–
3 992	100,0%	3 992	3 992	99,8%	–
51 902	100,0%	51 902	51 792	67,8%	58 212
727 769	100,0%	727 769	493 302	67,8%	592 423

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Mpumalanga	–			
Albert Luthuli	19 416	–	–	19 416
Pixley Ka Seme	7 566	–	–	7 566
Lekwa	10 125	–	–	10 125
Govan Mbeki	37 504	–	–	37 504
Gert Sibande District Municipality	50 208	–	–	50 208
Delmas	5 610	–	–	5 610
Emalahleni	32 462	–	–	32 462
Steve Tshwete	10 138	–	–	10 138
Dr JS Moroka	31 397	–	–	31 397
Nkangala District Municipality	34 617	–	–	34 617
Mbombela	58 729	–	–	58 729
Umgindi	8 042	–	–	8 042
Nkomazi	17 460	–	–	17 460
Ehlanzeni District Municipality	37 232	–	–	37 232
	360 506	–	–	360 506
Northern Cape	–			
Ga-Segonyana	16 749	–	–	16 749
Kgalagadi District Municipality	37 361	–	–	37 361
Nama Khoi	8 527	–	–	8 527
Karoo Hoogland	196	–	–	196
Khai-Ma	752	–	–	752
Namakwa District Municipality	5 579	–	–	5 579
Siyancuma	6 532	–	–	6 532
Karoo District Municipality	22 620	–	–	22 620
Mier	338	–	–	338
Kaiy Garib	599	–	–	599
//Khara Hais	3 000	–	–	3 000
Tsantsabane	7 473	–	–	7 473
Kgatelopele	203	–	–	203
Siyanda District Municipality	16 873	–	–	16 873
Sol Plaatje	23 753	–	–	23 753
Dikgatlong	3 000	–	–	3 000
Phokwane	6 929	–	–	6 929
Frances Baard District Municipality	11 700	–	–	11 700
	172 184	–	–	172 184
North West	–			
Moretele	29 397	–	–	29 397
Madibeng	64 167	–	–	64 167
Rustenburg	57 898	–	–	57 898
Moses Kotane	34 845	–	–	34 845
Bojanala Platinum District Municipality	14 939	–	–	14 939
Mafikeng	11 423	–	–	11 423
Central District Municipality	71 630	–	–	71 630
Kagisano	4 218	–	–	4 218
Mamusa	2 844	–	–	2 844
Greater Taung	7 594	–	–	7 594
Bophirima District Municipality	40 808	–	–	40 808
Ventersdorp	6 301	–	–	6 301
Potchefstroom	10 780	–	–	10 780
Klerksdorp	52 137	–	–	52 137
Maquassi Hills	8 173	–	–	8 173
Southern District Municipality	5 100	–	–	5 100
	422 254	–	–	422 254

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
19 416	100,0%	19 416	4 667	37,1%	–
7 566	100,0%	7 566	2 810	27,1%	–
10 125	100,0%	10 125	2 743	66,9%	–
37 504	100,0%	37 504	25 102	50,9%	23 424
50 208	100,0%	50 208	25 532	54,3%	53 353
5 610	100,0%	5 610	3 044	63,6%	–
32 462	100,0%	32 462	20 651	49,2%	24 681
10 138	100,0%	10 138	4 991	59,9%	8 455
31 397	100,0%	31 397	18 814	68,6%	5 250
34 617	100,0%	34 617	23 762	41,1%	61 279
58 729	100,0%	58 729	24 119	48,7%	51 101
8 042	100,0%	8 042	3 920	43,6%	–
17 460	100,0%	17 460	7 605	41,4%	–
37 232	100,0%	37 232	15 410	50,8%	49 149
360 506	100,0%	360 506	183 170	50,8%	276 692
16 749	100,0%	16 749	8 357	72,3%	–
37 361	100,0%	37 361	27 011	45,3%	57 613
8 527	100,0%	8 527	3 864	–	–
196	100,0%	196	–	–	–
752	100,0%	752	–	67,9%	–
5 579	100,0%	5 579	3 786	18,4%	9 839
6 532	100,0%	6 532	1 202	77,4%	–
22 620	100,0%	22 620	17 516	–	14 258
338	100,0%	338	–	60,4%	–
599	100,0%	599	362	–	–
3 000	100,0%	3 000	–	47,2%	–
7 473	100,0%	7 473	3 528	–	–
203	100,0%	203	–	89,6%	–
16 873	100,0%	16 873	15 122	93,1%	18 506
23 753	100,0%	23 753	22 120	11,7%	20 617
3 000	100,0%	3 000	350	–	–
6 929	100,0%	6 929	–	45,4%	–
11 700	100,0%	11 700	5 308	63,0%	10 966
172 184	100,0%	172 184	108 526	63,0%	131 799
29 397	100,0%	29 397	14 253	26,2%	–
64 167	100,0%	64 167	16 817	39,8%	52 266
57 898	100,0%	57 898	23 072	30,1%	57 230
34 845	100,0%	34 845	10 477	67,0%	–
14 939	100,0%	14 939	10 004	100,0%	63 256
11 423	100,0%	11 423	11 423	84,5%	–
71 630	100,0%	71 630	60 492	88,4%	69 129
4 218	100,0%	4 218	3 727	88,3%	–
2 844	100,0%	2 844	2 512	26,0%	–
7 594	100,0%	7 594	1 975	70,5%	–
40 808	100,0%	40 808	28 767	30,4%	41 996
6 301	100,0%	6 301	1 914	86,1%	–
10 780	100,0%	10 780	9 278	63,8%	9 223
52 137	100,0%	52 137	33 240	100,0%	31 002
8 173	100,0%	8 173	8 173	100,0%	–
5 100	100,0%	5 100	5 100	57,1%	10 763
422 254	100,0%	422 254	241 224	57,1%	334 865

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Western Cape				
City of Cape Town	167 803	–	–	167 803
Matzikama	3 078	–	–	3 078
Cederberg	4 031	–	–	4 031
Saldanha Bay	2 553	–	–	2 553
Swartland	4 598	–	–	4 598
West Coast District Municipality	5 504	–	–	5 504
Drakenstein	9 527	–	–	9 527
Stellenbosch	10 138	–	–	10 138
Breede Valley	6 325	–	–	6 325
Breede River Winelands	3 551	–	–	3 551
Cape Winelands	3 955	–	–	3 955
Threewaterskloof	8 134	–	–	8 134
Overstrand	3 002	–	–	3 002
Overberg District Municipality	3 857	–	–	3 857
Hessequa/Langeberg	400	–	–	400
Mossel Bay	3 477	–	–	3 477
George	8 205	–	–	8 205
Oudtshoorn	6 162	–	–	6 162
Bitou/Plettenberg Bay	6 271	–	–	6 271
Knysna	6 012	–	–	6 012
Eden District Municipality	4 302	–	–	4 302
Central Karoo District Municipality	26 141	–	–	26 141
	297 026	–	–	297 026
Subtotal	5 436 161	–	–	5 436 161
Disaster Relief				
Eastern Cape				
Camdeboo	–	–	–	–
Ikwezi	–	–	1 800	1 800
Ndlambe	–	–	500	500
Sundays River Valley	–	–	1 500	1 500
Baviaans	–	–	–	–
Koukamma	–	–	1 346	1 346
Mbhashe	–	–	–	–
Mnquma	–	–	–	–
Amahlathi	–	–	–	–
Ngqushwa	–	–	1 000	1 000
Nkonkobe	–	–	1 000	1 000
Inxuba Yethemba	–	–	–	–
Tsolwana	–	–	–	–
Lukhanji	–	–	1 000	1 000
Intsika Yethu	–	–	–	–
Emalahleni	–	–	3 000	3 000
Engcobo	–	–	4 000	4 000
Sakhisizwe	–	–	–	–
Elundini	–	–	–	–
Senqu	–	–	–	–
Mbizana	–	–	11 000	11 000
Ntabankulu	–	–	–	–
Qaukeni	–	–	–	–
Port St. Johns	–	–	3 000	3 000
Nyandeni	–	–	4 000	4 000
Mhlontlo	–	–	4 000	4 000
King Sabata Dalindyebo	–	–	4 000	4 000
Umzimkhulu	–	–	500	500
Umzimvubu	–	–	–	–
	–	–	41 646	41 646

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
167 803	100,0%	167 803	167 802	53,5%	154 387
3 078	100,0%	3 078	1 647	41,1%	–
4 031	100,0%	4 031	1 658	100,0%	–
2 553	100,0%	2 553	2 553	100,0%	2 184
4 598	100,0%	4 598	4 598	51,7%	–
5 504	100,0%	5 504	2 844	72,4%	10 511
9 527	100,0%	9 527	6 900	55,8%	9 881
10 138	100,0%	10 138	5 661	100,0%	7 466
6 325	100,0%	6 325	6 325	100,0%	5 411
3 551	100,0%	3 551	3 551	100,0%	–
3 955	100,0%	3 955	3 955	100,0%	10 661
8 134	100,0%	8 134	8 134	87,0%	–
3 002	100,0%	3 002	2 611	100,0%	2 509
3 857	100,0%	3 857	3 857	100,0%	8 101
400	100,0%	400	400	100,0%	–
3 477	100,0%	3 477	3 477	100,0%	2 530
8 205	100,0%	8 205	8 205	100,0%	7 020
6 162	100,0%	6 162	6 162	100,0%	–
6 271	100,0%	6 271	6 271	73,2%	–
6 012	100,0%	6 012	4 399	94,5%	–
4 302	100,0%	4 302	4 064	90,1%	15 581
26 141	100,0%	26 141	23 541	93,8%	27 092
297 026	100,0%	297 026	278 615	72,7%	263 334
5 436 161	900,0%	5 436 161	3 954 085	491,6%	4 439 942
–	–	–	–	–	1 370
1 800	100,0%	1 800	–	–	1 510
500	100,0%	500	–	–	1 050
1 500	100,0%	1 500	–	–	–
–	–	–	–	–	2 400
1 346	100,0%	1 346	–	–	–
–	–	–	–	–	4 000
–	–	–	–	–	5 000
–	–	–	–	–	1 000
1 000	100,0%	1 000	–	–	–
1 000	100,0%	1 000	–	–	–
–	–	–	–	–	4 500
–	–	–	–	–	5 200
1 000	100,0%	1 000	–	–	–
–	–	–	–	–	11 000
3 000	100,0%	3 000	–	–	–
4 000	100,0%	4 000	–	–	–
–	–	–	–	–	3 000
–	–	–	–	–	18 000
–	–	–	–	–	14 000
11 000	100,0%	11 000	–	–	3 000
–	–	–	–	–	1 000
–	–	–	–	–	2 000
3 000	100,0%	3 000	–	–	1 000
4 000	100,0%	4 000	–	–	–
4 000	100,0%	4 000	–	–	1 000
4 000	100,0%	4 000	–	–	1 000
500	100,0%	500	–	–	1 500
–	–	–	–	–	2 700
41 646	100,0%	41 646	–	–	85 230

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for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Free State				
Kopanong	–	–	500	500
Mohokare	–	–	3 000	3 000
Naledi	–	–	500	500
Tokologo	–	–	–	–
Nketoana	–	–	–	–
Maluti-a-Phofung	–	–	1 452	1 452
Phumelela	–	–	3 000	3 000
Ngwathe	–	–	826	826
	–	–	9 278	9 278
Gauteng				
Ekurhuleni	–	–	–	–
Kungwini	–	–	4 024	4 024
Lesedi	–	–	1 000	1 000
	–	–	5 024	5 024
KwaZulu-Natal				
Ugu District Municipality	–	–	6 224	6 224
Msunduzi	–	–	–	–
uMgungundlovu District Municipality	–	–	2 696	2 696
Uthukela District Municipality	–	–	8 582	8 582
Umzinyathi District Municipality	–	–	7 819	7 819
Newcastle	–	–	463	463
Amajuba District Municipality	–	–	2 292	2 292
Zululand District Municipality	–	–	8 266	8 266
Umkhanyakude District Municipality	–	–	8 795	8 795
uMhlathuze	–	–	355	355
uThungulu District Municipality	–	–	4 870	4 870
Ilembe District Municipality	–	–	5 015	5 015
Greater Kokstad	–	–	–	–
Sisonke District Municipality	–	–	4 623	4 623
	–	–	60 000	60 000
Limpopo				
Makhuduthamaga	–	–	8 649	8 649
Fetakgomo	–	–	–	–
Maruleng	–	–	2 350	2 350
Bushbuckridge	–	–	8 604	8 604
Greater Giyani	–	–	–	–
Greater Tzaneen	–	–	8 190	8 190
Mutale	–	–	19 760	19 760
Thulamela	–	–	8 144	8 144
Makhado	–	–	2 898	2 898
Vhembe District Municipality	–	–	–	–
Blouberg	–	–	3 905	3 905
Aganang	–	–	3 750	3 750
Molemole	–	–	2 740	2 740
Polokwane	–	–	–	–
Lepelle-Nkumpi	–	–	6 620	6 620
Waterberg District Municipality	–	–	–	–
	–	–	75 610	75 610

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
500	100,0%	500	–	–	–
3 000	100,0%	3 000	278	9,3%	–
500	100,0%	500	–	–	–
–	–	–	–	–	500
–	–	–	–	–	750
1 452	100,0%	1 452	1 086	74,8%	1 000
3 000	100,0%	3 000	–	–	–
826	100,0%	826	284	34,4%	500
9 278	100,0%	9 278	1 648	17,8%	2 750
–	–	–	–	–	1 000
4 024	100,0%	4 024	–	–	1 500
1 000	100,0%	1 000	–	–	–
5 024	100,0%	5 024	–	–	2 500
6 224	100,0%	6 224	–	–	9 356
–	–	–	–	–	40
2 696	100,0%	2 696	–	–	3 180
8 582	100,0%	8 582	–	–	12 060
7 819	100,0%	7 819	–	–	11 040
463	100,0%	463	–	–	2 450
2 292	100,0%	2 292	–	–	1 970
8 266	100,0%	8 266	–	–	11 451
8 795	100,0%	8 795	–	–	19 251
355	100,0%	355	–	–	790
4 870	100,0%	4 870	–	–	5 310
5 015	100,0%	5 015	–	–	5 931
–	–	–	–	–	2 000
4 623	100,0%	4 623	–	–	4 894
60 000	100,0%	60 000	–	–	89 723
8 649	100,0%	8 649	–	–	3 927
–	–	–	–	–	821
2 350	100,0%	2 350	–	–	–
8 604	100,0%	8 604	–	–	200
–	–	–	–	–	3 000
8 190	100,0%	8 190	–	–	250
19 760	100,0%	19 760	–	–	–
8 144	100,0%	8 144	–	–	–
2 898	100,0%	2 898	–	–	7 000
–	–	–	–	–	305
3 905	100,0%	3 905	–	–	–
3 750	100,0%	3 750	–	–	–
2 740	100,0%	2 740	–	–	–
–	–	–	–	–	5 480
6 620	100,0%	6 620	–	–	–
–	–	–	–	–	950
75 610	100,0%	75 610	–	–	21 933

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Mpumalanga				
Albert Luthuli	–	–	–	–
Msukaligwa	–	–	–	–
Mkhondo	–	–	3 140	3 140
Pixley Ka Seme	–	–	1 686	1 686
Lekwa	–	–	–	–
Dipaleseng	–	–	–	–
Govan Mbeki	–	–	515	515
Delmas	–	–	–	–
Emalahleni	–	–	–	–
Emakhazeni	–	–	–	–
Thaba Chweu	–	–	27	27
Mbombela	–	–	1 628	1 628
Umjindi	–	–	251	251
Nkomazi	–	–	–	–
	–	–	7 247	7 247
Northern Cape				
Moshaweng	–	–	16 663	16 663
Ga-Segonyana	–	–	–	–
Kgalagadi District Municipality	–	–	–	–
Richtersveld	–	–	–	–
Nama Khoi	–	–	650	650
Kamiesberg	–	–	2 000	2 000
Hantam	–	–	910	910
Karoo Hoogland	–	–	1 966	1 966
Ubuntu	–	–	1 405	1 405
Umsobomvu	–	–	1 000	1 000
Emthanjeni	–	–	1 809	1 809
Kareeberg	–	–	880	880
Renosterberg	–	–	4 225	4 225
Thembelihle	–	–	459	459
Siyathemba	–	–	–	–
Siyancuma	–	–	–	–
Mier	–	–	–	–
Kaiy Garib	–	–	2 949	2 949
Tsantsabane	–	–	967	967
Siyanda District Municipality	–	–	–	–
Dikgatlong	–	–	1 744	1 744
Frances Baard District Municipality	–	–	290	290
	–	–	37 917	37 917

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ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
–	–	–	–	–	1 000
–	–	–	–	–	1 000
3 140	100,0%	3 140	–	–	500
1 686	100,0%	1 686	–	–	1 500
–	–	–	–	–	2 000
–	–	–	–	–	700
515	100,0%	515	–	–	–
–	–	–	–	–	650
–	–	–	–	–	1 500
–	–	–	–	–	800
27	100,0%	27	–	–	–
1 628	100,0%	1 628	–	–	–
251	100,0%	251	–	–	1 500
–	–	–	–	–	1 050
7 247	100,0%	7 247	–	–	12 200
16 663	100,0%	16 663	–	–	5 563
–	–	–	–	–	1 060
–	–	–	–	–	900
–	–	–	–	–	1 000
650	100,0%	650	–	–	–
2 000	100,0%	2 000	–	–	–
910	100,0%	910	–	–	7 000
1 966	100,0%	1 966	–	–	–
1 405	100,0%	1 405	–	–	3 200
1 000	100,0%	1 000	–	–	–
1 809	100,0%	1 809	–	–	1 000
880	100,0%	880	–	–	–
4 225	100,0%	4 225	–	–	–
459	100,0%	459	–	–	–
–	–	–	–	–	1 800
–	–	–	–	–	1 800
–	–	–	–	–	500
2 949	100,0%	2 949	–	–	–
967	100,0%	967	–	–	–
–	–	–	–	–	500
1 744	100,0%	1 744	–	–	–
290	100,0%	290	–	–	–
37 917	100,0%	37 917	–	–	24 323

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for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Division of Revenue Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000
North West				
Moretele	–	–	14 880	14 880
Madibeng	–	–	3 125	3 125
Kgetlengrivier	–	–	3 978	3 978
Moses Kotane	–	–	12 204	12 204
Ratlou	–	–	–	–
Ditsobotla	–	–	–	–
Zeerust	–	–	–	–
Central District Municipality	–	–	13 840	13 840
Kagisano	–	–	–	–
Bophirima District Municipality	–	–	–	–
Klerksdorp	–	–	–	–
Maquassi Hills	–	–	–	–
	–	–	48 027	48 027
Western Cape				
Matzikama	–	–	3 300	3 300
Bergrivier	–	–	1 530	1 530
Swartland	–	–	2 500	2 500
West Coast District Municipality	–	–	–	–
Witzenberg	–	–	5 521	5 521
Breede Valley	–	–	–	–
Breede River Winelands	–	–	13 400	13 400
Overberg District Municipality	–	–	–	–
Kannaland	–	–	–	–
Prince Albert	–	–	–	–
	–	–	26 251	26 251
Subtotal	–	–	311 000	311 000
Total	5 636 161	–	311 000	5 947 161

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of availability funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
14 880	100,0%	14 880	–	–	–
3 125	100,0%	3 125	–	–	–
3 978	100,0%	3 978	–	–	1 500
12 204	100,0%	12 204	–	–	4 000
–	–	–	–	–	895
–	–	–	–	–	596
–	–	–	–	–	10 000
13 840	100,0%	13 840	–	–	3 000
–	–	–	–	–	2 200
–	–	–	–	–	6 100
–	–	–	–	–	500
–	–	–	–	–	2 550
48 027	100,0%	48 027	–	–	31 341
3 300	100,0%	3 300	964	29,2%	–
1 530	100,0%	1 530	–	–	–
2 500	100,0%	2 500	–	–	400
–	–	–	–	–	7 000
5 521	100,0%	5 521	–	–	700
–	–	–	–	100	–
13 400	100,0%	13 400	6 633	49,5%	–
–	–	–	–	–	500
–	–	–	–	–	300
–	–	–	–	–	1 000
26 251	100,0%	26 251	7 597	28,9%	10 000
311 000	100,0%	311 000	9 245	3,0%	280 000
5 947 161	5 947 161	5 947 161	4 034 630		4 902 185

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1C – STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Transfer allocation				
Departments/Agency/Account	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
South African Local Government Association	18 385	–	–	18 385
Municipal Demarcation Board	24 959	–	–	24 959
Municipal Infrastructure Investment Unit	11 234	–	–	11 234
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	11 286	–	–	11 286
Council for Geoscience	1 950	–	–	1 950
	67 814	–	–	67 814

ANNEXURE 1D – STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS

Transfer allocation				
Name of public organisation/ private enterprise	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Private Enterprises				
Subsidies	–			
Glenrand M.I.B Insurance	121	–	–	121
Brokers	–			
Kgwerano Asset Finance	–	–	65	65
Subtotal	121	–	65	186
TOTAL	121	–	65	186

ANNEXURE 1E – STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Transfer allocation				
Foreign Government/ International Organisation	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Transfers				
Subsidies				
International Political Science Association	–	–	–	–
African Union of Local Authorities	–	–	–	–
Commonwealth Local Government Forum	–	–	–	–
Total	–	–	–	–

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1C – STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Transfer		2004/2005
Actual transfer R'000	% of available funds transferred %	Final Appropriation Act R'000
18 385	100,0%	17 300
24 989	100,0%	22 523
11 234	100,0%	10 600
11 286	100,0%	9 703
1 980	100,0%	–
67 814		60 126

ANNEXURE 1D – STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS

Transfer				2004/2005
Actual transfer R'000	% of available funds transferred %	Capital R'000	Current R'000	Total available R'000
112	92,6%	–	112	52
65	100,0%	–	65	–
177	–	–	177	52
177	–	–	177	52

ANNEXURE 1E – STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Transfer		2004/2005
Actual transfer R'000	% of available funds transferred %	Final Appropriation Act R'000
–		1
–		24
–		89
–		114

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Local Government Equitable Share				
Eastern Cape				
Nelson Mandela	205 630	–	–	205 630
Camdeboo	9 786	–	–	9 786
Blue Crane Route	10 948	–	–	10 948
Ikwezi	4 163	–	–	4 163
Makana	18 321	–	–	18 321
Ndlambe	15 364	–	–	15 364
Sundays River Valley	10 022	–	–	10 022
Baviaans	4 399	–	–	4 399
Kouga	13 435	–	–	13 435
Koukamma	8 148	–	–	8 148
Cacadu District Municipality	3 374	–	–	3 374
Mbhashe	40 853	–	–	40 853
Mnquma	44 857	–	–	44 857
Great Kei	8 813	–	–	8 813
Amahlathi	24 214	–	–	24 214
Buffalo City	191 519	–	–	191 519
Ngqushwa	16 973	–	–	16 973
Nkonkobe	24 997	–	–	24 997
Nxuba	5 756	–	–	5 756
Amatole District Municipality	95 063	–	–	95 063
Inxuba Yethemba	10 608	–	–	10 608
Tsolwana	7 101	–	–	7 101
Inkwanca	4 919	–	–	4 919
Lukhanji	28 849	–	–	28 849
Elundini	25 190	–	–	25 190
Senqu	24 685	–	–	24 685
Maletswai	6 374	–	–	6 374
Gariep	6 820	–	–	6 820
Ukhahlamba District Municipality	45 684	–	–	45 684
Mbizana	34 371	–	–	34 371
Ntabankulu	21 384	–	–	21 384
Qaukeni	36 740	–	–	36 740
Port St. Johns	24 716	–	–	24 716
Nyandeni	42 199	–	–	42 199
Mhlontlo	32 060	–	–	32 060
King Sabata Dalindyebo	57 257	–	–	57 257
O.R. Tambo District Municipality	153 236	–	–	153 236
Umzimkhulu	26 633	–	–	26 633
Umzimvubu	64 870	–	–	64 870
Alfred Nzo District Municipality	61 825	–	–	61 825
	1 655 444	–	–	1 655 444

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
205 630	100,0%	205 630	–	–	161 075
9 786	100,0%	9 786	–	–	8 555
10 948	100,0%	10 948	–	–	10 717
4 163	100,0%	4 163	–	–	4 168
18 321	100,0%	18 321	–	–	15 855
15 364	100,0%	15 364	–	–	13 420
10 022	100,0%	10 022	–	–	12 436
4 399	100,0%	4 399	–	–	5 080
13 435	100,0%	13 435	–	–	11 099
8 148	100,0%	8 148	–	–	7 627
3 374	100,0%	3 374	–	–	4 730
40 853	100,0%	40 853	–	–	49 641
44 857	100,0%	44 857	–	–	54 811
8 813	100,0%	8 813	–	–	10 014
24 214	100,0%	24 214	–	–	27 472
191 519	100,0%	191 519	–	–	192 698
16 973	100,0%	16 973	–	–	20 213
24 997	100,0%	24 997	–	–	24 982
5 756	100,0%	5 756	–	–	6 266
95 063	100,0%	95 063	–	–	87 653
10 608	100,0%	10 608	–	–	8 589
7 101	100,0%	7 101	–	–	9 074
4 919	100,0%	4 919	–	–	5 583
28 849	100,0%	28 849	–	–	26 289
25 190	100,0%	25 190	–	–	31 054
24 685	100,0%	24 685	–	–	28 045
6 374	100,0%	6 374	–	–	6 766
6 820	100,0%	6 820	–	–	6 950
45 684	100,0%	45 684	–	–	50 301
34 371	100,0%	34 371	–	–	41 780
21 384	100,0%	21 384	–	–	25 903
36 740	100,0%	36 740	–	–	44 752
24 716	100,0%	24 716	–	–	30 251
42 199	100,0%	42 199	–	–	51 184
32 060	100,0%	32 060	–	–	39 182
57 257	100,0%	57 257	–	–	71 146
153 236	100,0%	153 236	–	–	184 659
26 633	100,0%	26 633	–	–	32 603
64 870	100,0%	64 870	–	–	78 134
61 825	100,0%	61 825	–	–	73 249
1 655 444	100,0%	1 655 444	–	–	1 781 913

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation				Total available R'000
	Amount R'000	Roll overs R'000	Adjustments R'000		
Free State					
Letsemeng	13 892	–	–		13 892
Kopanong	23 848	–	–		23 848
Mohokare	14 934	–	–		14 934
Xhariep District Municipality	3 139	–	–		3 139
Naledi	10 709	–	–		10 709
Mangaung	175 080	–	–		175 080
Mantsopa	18 434	–	–		18 434
Motheo District Municipality	1 072	–	–		1 072
Masilonyana	23 852	–	–		23 852
Tokologo	11 907	–	–		11 907
Tswelopele	18 126	–	–		18 126
Matjhabeng	124 581	–	–		124 581
Nala	37 224	–	–		37 224
Lejweleputswa District Municipality	1 784	–	–		1 784
Setsoto	45 181	–	–		45 181
Dihlabeng	34 813	–	–		34 813
Nketoana	22 840	–	–		22 840
Maluti-a-Phofung	105 417	–	–		105 417
Phumelela	15 497	–	–		15 497
Thabo Mofutsanyana District Municipality	12 930	–	–		12 930
Moqhaka	44 963	–	–		44 963
Ngwathe	42 120	–	–		42 120
Metsimaholo	27 364	–	–		27 364
Mafube	20 658	–	–		20 658
Northern Free State District Municipality	1 687	–	–		1 687
	852 052	–	–		852 052
Gauteng					
Ekurhuleni	472 390	–	–		472 390
City of Johannesburg	540 664	–	–		540 664
City of Tshwane	269 741	–	–		269 741
Nokeng tsa Taemane	10 409	–	–		10 409
Kungwini	24 372	–	–		24 372
Metsweding District Municipality	1 600	–	–		1 600
Emfuleni	160 060	–	–		160 060
Midvaal	13 629	–	–		13 629
Lesedi	15 965	–	–		15 965
Sedibeng District Municipality	1 023	–	–		1 023
Mogale City	58 667	–	–		58 667
Randfontein	25 422	–	–		25 422
Westonaria	38 523	–	–		38 523
Merafong City	61 069	–	–		61 069
West Rand District Municipality	1 894	–	–		1 894
	1 695 428	–	–		1 695 428

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2005/2006
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
13 892	100,0%	13 892	–	–	12 357
23 848	100,0%	23 848	–	–	16 906
14 934	100,0%	14 934	–	–	17 044
3 139	100,0%	3 139	–	–	3 380
10 709	100,0%	10 709	–	–	11 948
175 080	100,0%	175 080	–	–	204 286
18 434	100,0%	18 434	–	–	18 019
1 072	100,0%	1 072	–	–	1 038
23 852	100,0%	23 852	–	–	26 813
11 907	100,0%	11 907	–	–	12 372
18 126	100,0%	18 126	–	–	21 556
124 581	100,0%	124 581	–	–	121 457
37 224	100,0%	37 224	–	–	30 437
1 784	100,0%	1 784	–	–	1 658
45 181	100,0%	45 181	–	–	39 564
34 813	100,0%	34 813	–	–	26 752
22 840	100,0%	22 840	–	–	26 140
105 417	100,0%	105 417	–	–	131 286
15 497	100,0%	15 497	–	–	15 135
12 930	100,0%	12 930	–	–	13 622
44 963	100,0%	44 963	–	–	42 731
42 120	100,0%	42 120	–	–	39 052
27 364	100,0%	27 364	–	–	21 751
20 658	100,0%	20 658	–	–	18 061
1 687	100,0%	1 687	–	–	1 159
852 052	100,0%	852 052	–	–	874 524
472 390	100,0%	472 390	–	–	305 515
540 664	100,0%	540 664	–	–	391 161
269 741	100,0%	269 741	–	–	201 390
10 409	100,0%	10 409	–	–	7 326
24 372	100,0%	24 372	–	–	14 986
1 600	100,0%	1 600	–	–	2 586
160 060	100,0%	160 060	–	–	77 076
13 629	100,0%	13 629	–	–	11 233
15 965	100,0%	15 965	–	–	8 379
1 023	100,0%	1 023	–	–	1 088
58 667	100,0%	58 667	–	–	32 985
25 422	100,0%	25 422	–	–	14 225
38 523	100,0%	38 523	–	–	27 282
61 069	100,0%	61 069	–	–	42 752
1 894	100,0%	1 894	–	–	2 131
1 695 428	100,0%	1 695 428	–	–	1 140 115

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
KwaZulu-Natal				
eThekweni	535 540	–	–	535 540
Vulamehlo	13 247	–	–	13 247
Umdoni	7 314	–	–	7 314
Umzumbe	26 958	–	–	26 958
uMuziwabantu	14 612	–	–	14 612
Ezinqolweni	9 437	–	–	9 437
Hibiscus Coast	26 067	–	–	26 067
Ugu District Municipality	57 169	–	–	57 169
uMshwathi	17 806	–	–	17 806
uMngeni	10 082	–	–	10 082
Mooi Mpofana	6 513	–	–	6 513
Impendle	6 995	–	–	6 995
Msunduzi	104 671	–	–	104 671
Mkhambathini	10 813	–	–	10 813
Richmond	10 502	–	–	10 502
uMgungundlovu District Municipality	41 406	–	–	41 406
Emnambithi/Ladysmith	28 473	–	–	28 473
Indaka	16 117	–	–	16 117
Umtshezi	8 630	–	–	8 630
Okhahlamba	18 974	–	–	18 974
Imbabazane	16 977	–	–	16 977
Uthukela District Municipality	57 320	–	–	57 320
Endumeni	7 060	–	–	7 060
Nquthu	19 778	–	–	19 778
Msinga	25 268	–	–	25 268
Umvoti	14 779	–	–	14 779
Umzinyathi District Municipality	42 506	–	–	42 506
Newcastle	75 432	–	–	75 432
Utrecht	5 216	–	–	5 216
Dannhauser	13 363	–	–	13 363
Amajuba District Municipality	11 263	–	–	11 263
eDumbe	11 441	–	–	11 441
uPhongolo	18 303	–	–	18 303
Abaqulusi	20 684	–	–	20 684
Nongoma	23 546	–	–	23 546
Ulundi	26 311	–	–	26 311
Zululand District Municipality	60 769	–	–	60 769
Umhlabuyalingana	19 347	–	–	19 347
Jozini	24 345	–	–	24 345
The Big Five False Bay	6 374	–	–	6 374
Hlabisa	18 763	–	–	18 763
Mtubatuba	5 764	–	–	5 764
Umkhanyakude District Municipality	48 599	–	–	48 599
Mbonambi	13 713	–	–	13 713
uMhlathuze	54 196	–	–	54 196
Ntambanana	8 411	–	–	8 411
Umlalazi	28 690	–	–	28 690
Mthonjaneni	10 139	–	–	10 139
Nkandla	19 516	–	–	19 516

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
535 540	100,0%	535 540	–	–	392 243
13 247	100,0%	13 247	–	–	13 672
7 314	100,0%	7 314	–	–	4 904
26 958	100,0%	26 958	–	–	19 114
14 612	100,0%	14 612	–	–	11 610
9 437	100,0%	9 437	–	–	7 535
26 067	100,0%	26 067	–	–	15 394
57 169	100,0%	57 169	–	–	38 680
17 806	100,0%	17 806	–	–	12 600
10 082	100,0%	10 082	–	–	7 822
6 513	100,0%	6 513	–	–	4 768
6 995	100,0%	6 995	–	–	5 337
104 671	100,0%	104 671	–	–	74 873
10 813	100,0%	10 813	–	–	7 472
10 502	100,0%	10 502	–	–	8 927
41 406	100,0%	41 406	–	–	20 830
28 473	100,0%	28 473	–	–	18 537
16 117	100,0%	16 117	–	–	11 519
8 630	100,0%	8 630	–	–	7 714
18 974	100,0%	18 974	–	–	13 082
16 977	100,0%	16 977	–	–	11 658
57 320	100,0%	57 320	–	–	32 937
7 060	100,0%	7 060	–	–	4 523
19 778	100,0%	19 778	–	–	14 919
25 268	100,0%	25 268	–	–	22 142
14 779	100,0%	14 779	–	–	16 009
42 506	100,0%	42 506	–	–	36 259
75 432	100,0%	75 432	–	–	39 663
5 216	100,0%	5 216	–	–	4 089
13 363	100,0%	13 363	–	–	9 727
11 263	100,0%	11 263	–	–	6 452
11 441	100,0%	11 441	–	–	8 157
18 303	100,0%	18 303	–	–	12 960
20 684	100,0%	20 684	–	–	15 081
23 546	100,0%	23 546	–	–	17 067
26 311	100,0%	26 311	–	–	19 729
60 769	100,0%	60 769	–	–	41 824
19 347	100,0%	19 347	–	–	14 692
24 345	100,0%	24 345	–	–	16 945
6 374	100,0%	6 374	–	–	4 879
18 763	100,0%	18 763	–	–	13 221
5 764	100,0%	5 764	–	–	5 225
48 599	100,0%	48 599	–	–	36 943
13 713	100,0%	13 713	–	–	9 587
54 196	100,0%	54 196	–	–	35 308
8 411	100,0%	8 411	–	–	6 554
28 690	100,0%	28 690	–	–	20 246
10 139	100,0%	10 139	–	–	7 294
19 516	100,0%	19 516	–	–	14 401

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ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
uThungulu District Municipality	41 816	–	–	41 816
eNdongakusuka	18 559	–	–	18 559
KwaDukuza	20 154	–	–	20 154
Ndwedwe	21 764	–	–	21 764
Maphumulo	17 257	–	–	17 257
Ilembe District Municipality	46 096	–	–	46 096
Ingwe	16 855	–	–	16 855
Kwa Sani	4 406	–	–	4 406
Matatiele	4 155	–	–	4 155
Greater Kokstad	12 881	–	–	12 881
Ubuhlebezwe	16 527	–	–	16 527
Sisonke District Municipality	36 380	–	–	36 380
	1 936 049	–	–	1 936 049
Limpopo				
Makhuduthamaga	37 445	–	–	37 445
Fetakgomo	14 191	–	–	14 191
Greater Marble Hall	18 664	–	–	18 664
Greater Groblersdal	34 654	–	–	34 654
Greater Tubatse	36 727	–	–	36 727
Greater Sekhukhune Cross Boundary	89 361	–	–	89 361
Maruleng	16 000	–	–	16 000
Bushbuckridge	76 520	–	–	76 520
Bohlabela District Municipality	60 613	–	(19 574)	41 039
Greater Giyani	40 926	–	–	40 926
Greater Letaba	35 746	–	–	35 746
Greater Tzaneen	56 410	–	–	56 410
Ba-Phalaborwa	18 585	–	–	18 585
Mopani District Municipality	92 810	–	3 557	96 367
Musina	8 603	–	–	8 603
Mutale	14 946	–	–	14 946
Thulamela	76 298	–	–	76 298
Makhado	67 823	–	–	67 823
Vhembe District Municipality	111 122	–	–	111 122
Blouberg	24 522	–	–	24 522
Aganang	21 276	–	–	21 276
Molemole	19 828	–	–	19 828
Polokwane	111 076	–	–	111 076
Lepelle-Nkumpi	32 923	–	–	32 923
Capricorn District Municipality	62 120	–	–	62 120
Thabazimbi	17 155	–	–	17 155
Lephalale	25 780	–	–	25 780
Mookgopong	6 872	–	–	6 872
Modimolle	16 159	–	–	16 159
Bela Bela	12 428	–	–	12 428
Mogalakwena	68 590	–	–	68 590
Waterberg District Municipality	3 508	–	–	3 508
	1 329 681	–	(16 017)	1 313 664

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ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
41 816	100,0%	41 816	–	–	25 676
18 559	100,0%	18 559	–	–	16 727
20 154	100,0%	20 154	–	–	21 101
21 764	100,0%	21 764	–	–	17 722
17 257	100,0%	17 257	–	–	15 592
46 096	100,0%	46 096	–	–	31 945
16 855	100,0%	16 855	–	–	13 407
4 406	100,0%	4 406	–	–	4 174
4 155	100,0%	4 155	–	–	3 381
12 881	100,0%	12 881	–	–	8 105
16 527	100,0%	16 527	–	–	12 269
36 380	100,0%	36 380	–	–	19 998
1 936 049	100,0%	1 936 049	–	–	1 385 221
37 445	100,0%	37 445	–	–	23 870
14 191	100,0%	14 191	–	–	10 666
18 664	100,0%	18 664	–	–	13 943
34 654	100,0%	34 654	–	–	24 452
36 727	100,0%	36 727	–	–	25 397
89 361	100,0%	89 361	–	–	65 791
16 000	100,0%	16 000	–	–	11 285
76 520	100,0%	76 520	–	–	60 176
41 039	100,0%	41 039	–	–	42 162
40 926	100,0%	40 926	–	–	36 820
35 746	100,0%	35 746	–	–	24 710
56 410	100,0%	56 410	–	–	37 926
18 585	100,0%	18 585	–	–	16 491
96 367	100,0%	96 367	–	–	48 144
8 603	100,0%	8 603	–	–	7 302
14 946	100,0%	14 946	–	–	13 470
76 298	100,0%	76 298	–	–	56 884
67 823	100,0%	67 823	–	–	50 831
111 122	100,0%	111 122	–	–	56 494
24 522	100,0%	24 522	–	–	19 752
21 276	100,0%	21 276	–	–	14 491
19 828	100,0%	19 828	–	–	12 807
111 076	100,0%	111 076	–	–	65 244
32 923	100,0%	32 923	–	–	21 432
62 120	100,0%	62 120	–	–	30 344
17 155	100,0%	17 155	–	–	13 786
25 780	100,0%	25 780	–	–	16 350
6 872	100,0%	6 872	–	–	4 945
16 159	100,0%	16 159	–	–	10 535
12 428	100,0%	12 428	–	–	8 159
68 590	100,0%	68 590	–	–	38 425
3 508	100,0%	3 508	–	–	5 668
1 313 664	100,0%	1 313 664	–	–	888 752

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ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Mpumalanga				
Albert Luthuli	43 127	–	–	43 127
Msukaligwa	28 526	–	–	28 526
Mkhondo	27 066	–	–	27 066
Pixley Ka Seme	22 565	–	–	22 565
Lekwa	21 846	–	–	21 846
Dipaleseng	12 380	–	–	12 380
Govan Mbeki	56 859	–	–	56 859
Gert Sibande District Municipality	2 180	–	–	2 180
Delmas	14 099	–	–	14 099
Emalahleni	53 806	–	–	53 806
Steve Tshwete	26 463	–	–	26 463
Emakhazeni	9 980	–	–	9 980
Thembisile	60 517	–	–	60 517
Dr JS Moroka	61 288	–	–	61 288
Nkangala District Municipality	1 760	–	–	1 760
Thaba Chweu	21 430	–	–	21 430
Mbombela	93 309	–	–	93 309
Umjindi	13 476	–	–	13 476
Nkomazi	74 330	–	–	74 330
Ehlanzeni District Municipality	3 563	–	16 017	19 580
	648 570	–	16 017	664 587
Northern Cape				
Gamagara	4 145	–	–	4 145
Moshaweng	16 425	–	–	16 425
Ga-Segonyana	17 364	–	–	17 364
Kgalagadi District Municipality	14 832	–	–	14 832
Richtersveld	3 235	–	–	3 235
Nama Khoi	8 749	–	–	8 749
Kamiesberg	3 342	–	–	3 342
Hantam	5 613	–	–	5 613
Karoo Hoogland	3 869	–	–	3 869
Khai-Ma	3 418	–	–	3 418
Namakwa District Municipality	1 911	–	–	1 911
Ubuntu	5 473	–	–	5 473
Umsobomvu	8 183	–	–	8 183
Emthanjeni	9 445	–	–	9 445
Kareeberg	3 529	–	–	3 529
Renosterberg	3 930	–	–	3 930
Thembelihle	3 764	–	–	3 764
Siyathemba	5 499	–	–	5 499
Siyancuma	9 336	–	–	9 336
Karoo District Municipality	2 908	–	–	2 908
Mier	2 844	–	–	2 844
Kaiy Garib	13 241	–	–	13 241
//Khara Hais	13 296	–	–	13 296
YKheis	4 363	–	–	4 363
Tsantsabane	7 869	–	–	7 869
Kgatelopele	4 199	–	–	4 199

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
43 127	100,0%	43 127	–	–	31 424
28 526	100,0%	28 526	–	–	17 929
27 066	100,0%	27 066	–	–	17 478
22 565	100,0%	22 565	–	–	12 628
21 846	100,0%	21 846	–	–	14 131
12 380	100,0%	12 380	–	–	7 910
56 859	100,0%	56 859	–	–	34 813
2 180	100,0%	2 180	–	–	3 368
14 099	100,0%	14 099	–	–	8 385
53 806	100,0%	53 806	–	–	34 422
26 463	100,0%	26 463	–	–	17 375
9 980	100,0%	9 980	–	–	7 545
60 517	100,0%	60 517	–	–	35 784
61 288	100,0%	61 288	–	–	34 902
1 760	100,0%	1 760	–	–	1 299
21 430	100,0%	21 430	–	–	18 600
93 309	100,0%	93 309	–	–	63 561
13 476	100,0%	13 476	–	–	10 690
74 330	100,0%	74 330	–	–	47 021
19 580	100,0%	19 580	–	–	5 599
664 587	100,0%	664 587	–	–	424 864
4 145	100,0%	4 145	–	–	5 240
16 425	100,0%	16 425	–	–	18 496
17 364	100,0%	17 364	–	–	14 090
14 832	100,0%	14 832	–	–	16 590
3 235	100,0%	3 235	–	–	3 342
8 749	100,0%	8 749	–	–	7 745
3 342	100,0%	3 342	–	–	4 183
5 613	100,0%	5 613	–	–	6 710
3 869	100,0%	3 869	–	–	5 132
3 418	100,0%	3 418	–	–	3 439
1 911	100,0%	1 911	–	–	2 520
5 473	100,0%	5 473	–	–	6 919
8 183	100,0%	8 183	–	–	8 320
9 445	100,0%	9 445	–	–	9 403
3 529	100,0%	3 529	–	–	4 715
3 930	100,0%	3 930	–	–	4 594
3 764	100,0%	3 764	–	–	4 582
5 499	100,0%	5 499	–	–	6 340
9 336	100,0%	9 336	–	–	10 448
2 908	100,0%	2 908	–	–	3 751
2 844	100,0%	2 844	–	–	3 412
13 241	100,0%	13 241	–	–	12 099
13 296	100,0%	13 296	–	–	10 087
4 363	100,0%	4 363	–	–	4 796
7 869	100,0%	7 869	–	–	7 118
4 199	100,0%	4 199	–	–	5 017

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Siyanda District Municipality	3 868	–	–	3 868
Sol Plaatje	43 124	–	–	43 124
Dikgatlong	12 114	–	–	12 114
Magareng	7 825	–	–	7 825
Phokwane	17 413	–	–	17 413
Frances Baard District Municipality	2 617	–	–	2 617
	267 743	–	–	267 743
North West				
Moretele	40 463	–	–	40 463
Madibeng	78 709	–	–	78 709
Rustenburg	79 402	–	–	79 402
Kgetlengrivier	11 281	–	–	11 281
Moses Kotane	61 733	–	–	61 733
Bojanala Platinum District Municipality	2 828	–	–	2 828
Ratlou	17 343	–	–	17 343
Tswaing	16 753	–	–	16 753
Mafikeng	33 316	–	–	33 316
Ditsobotla	20 404	–	–	20 404
Zeerust	21 100	–	–	21 100
Central District Municipality	74 506	–	–	74 506
Kagisano	16 423	–	–	16 423
Naledi	9 056	–	–	9 056
Mamusa	8 576	–	–	8 576
Greater Taung	26 479	–	–	26 479
Molopo	3 727	–	–	3 727
Lekwa-Teemane	7 577	–	–	7 577
Bophirima District Municipality	48 742	–	–	48 742
Ventersdorp	12 433	–	–	12 433
Potchefstroom	24 072	–	–	24 072
Klerksdorp	95 190	–	–	95 190
Maquassi Hills	20 176	–	–	20 176
Southern District Municipality	1 205	–	–	1 205
	731 494	–	–	731 494

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2004/2005
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
3 868	100,0%	3 868	–	–	4 246
43 124	100,0%	43 124	–	–	29 126
12 114	100,0%	12 114	–	–	12 119
7 825	100,0%	7 825	–	–	8 157
17 413	100,0%	17 413	–	–	16 800
2 617	100,0%	2 617	–	–	2 556
267 743	100,0%	267 743	–	–	262 092
40 463	100,0%	40 463	–	–	24 696
78 709	100,0%	78 709	–	–	61 973
79 402	100,0%	79 402	–	–	58 978
11 281	100,0%	11 281	–	–	8 495
61 733	100,0%	61 733	–	–	43 763
2 828	100,0%	2 828	–	–	9 209
17 343	100,0%	17 343	–	–	17 982
16 753	100,0%	16 753	–	–	14 010
33 316	100,0%	33 316	–	–	26 209
20 404	100,0%	20 404	–	–	14 322
21 100	100,0%	21 100	–	–	17 247
74 506	100,0%	74 506	–	–	51 813
16 423	100,0%	16 423	–	–	18 712
9 056	100,0%	9 056	–	–	6 849
8 576	100,0%	8 576	–	–	8 100
26 479	100,0%	26 479	–	–	30 524
3 727	100,0%	3 727	–	–	4 133
7 577	100,0%	7 577	–	–	5 980
48 742	100,0%	48 742	–	–	37 699
12 433	100,0%	12 433	–	–	9 710
24 072	100,0%	24 072	–	–	15 128
95 190	100,0%	95 190	–	–	53 496
20 176	100,0%	20 176	–	–	13 421
1 205	100,0%	1 205	–	–	1 243
731 494	100,0%	731 494	–	–	553 692

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for the year ended 31 March 2006

ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Name of municipality	Grant allocation			
	Amount R'000	Roll overs R'000	Adjustments R'000	Total available R'000
Western Cape				
City of Cape Town	275 565	–	–	275 565
Matzikama	8 920	–	–	8 920
Cederberg	7 579	–	–	7 579
Bergrivier	6 208	–	–	6 208
Saldanha Bay	9 369	–	–	9 369
Swartland	7 596	–	–	7 596
West Coast District Municipality	1 787	–	–	1 787
Witzenberg	12 612	–	–	12 612
Drakenstein	20 820	–	–	20 820
Stellenbosch	13 118	–	–	13 118
Breede Valley	18 705	–	–	18 705
Breede River Winelands	13 687	–	–	13 687
Cape Winelands	2 208	–	–	2 208
Threewaterskloof	14 431	–	–	14 431
Overstrand	10 172	–	–	10 172
Cape Agulhas	4 456	–	–	4 456
Swellendam	5 428	–	–	5 428
Overberg District Municipality	1 064	–	–	1 064
Kannaland	5 610	–	–	5 610
Langeberg	7 187	–	–	7 187
Mossel Bay	10 967	–	–	10 967
George	20 679	–	–	20 679
Oudtshoorn	11 296	–	–	11 296
Plettenberg Bay	6 539	–	–	6 539
Knysna	8 922	–	–	8 922
Eden District Municipality	3 437	–	–	3 437
Laingsburg	2 501	–	–	2 501
Prince Albert	2 968	–	–	2 968
Beaufort West	7 420	–	–	7 420
Central Karoo District Municipality	5 629	–	–	5 629
	526 880	–	–	526 880
Subtotal	9 643 341	–	–	10 032 641
Regional Service Council Levies				
Gauteng				
City of Tshwane	363	–	23	340
Subtotal	363	–	(23)	340
Total	9 643 704	–	(23)	9 647 681

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ANNEXURE 1F – STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

Transfer		Spent			2005/2006
Actual transfer R'000	% of available funds transferred %	Amount received by municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Total available R'000
275 565	100,0%	275 565	–		205 778
8 920	100,0%	8 920	–		6 316
7 579	100,0%	7 579	–		5 061
6 208	100,0%	6 208	–		4 014
9 369	100,0%	9 369	–		4 443
7 596	100,0%	7 596	–		6 997
1 787	100,0%	1 787	–		1 790
12 612	100,0%	12 612	–		8 939
20 820	100,0%	20 820	–		13 367
13 118	100,0%	13 118	–		8 153
18 705	100,0%	18 705	–		13 174
13 687	100,0%	13 687	–		8 286
2 208	100,0%	2 208	–		2 493
14 431	100,0%	14 431	–		9 317
10 172	100,0%	10 172	–		4 921
4 456	100,0%	4 456	–		2 335
5 428	100,0%	5 428	–		4 042
1 064	100,0%	1 064	–		1 053
5 610	100,0%	5 610	–		4 189
7 187	100,0%	7 187	–		3 916
10 967	100,0%	10 967	–		4 980
20 679	100,0%	20 679	–		10 488
11 296	100,0%	11 296	–		5 762
6 539	100,0%	6 539	–		3 364
8 922	100,0%	8 922	–		4 629
3 437	100,0%	3 437	–		3 225
2 501	100,0%	2 501	–		2 484
2 968	100,0%	2 968	–		3 025
7 420	100,0%	7 420	–		4 089
5 629	100,0%	5 629	–		5 743
526 880	100,0%	526 880	–		366 373
9 643 341	100,0%	9 643 341	–		7 677 546
317	–	317			282
317	–	317	–	–	282
9 643 658	–	9 643 658	–	–	7 677 828

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ANNEXURE 1F – STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

	Transfer allocation				Expenditure		2004/2005
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Final Appropriation Act R'000
Non-profit organisations							
Transfers							
South African Cities Network	1 500	–	–	1 500	1 500	100,0%	1 500
South African Red Cross	4 000	–	–	4 000	4 000	100,0%	–
	5 500	–	–	5 500	5 500		1 500
TOTAL	5 500	–	–	5 500	5 500		1 500

ANNEXURE 1G – STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

	Transfer allocation				Expenditure		2004/2005
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total available R'000	Actual transfer R'000	% of available funds transferred %	Final Appropriation Act R'000
Households							
Employees (Leave gratuity)	–	–	384	384	384	100,0%	12
Employees (Arbitration award)	–	–	332	332	332	100,0%	–
Total	–	–	716	716	716		12

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ANNEXURE 1H – STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance R'000	Revenue R'000	Expenditure R'000	Closing balance R'000
Received in cash					
Norwegian Government	Local government capacity building	814	(513)	301	–
European Union	Local government support: Mpumalanga/ Limpopo Province	15 028	4	26 695	(11 663)
Netherlands	Sectoral budget support	23 520	24	7 523	16 021
Netherlands	Masibambane project	3 303	1 888	159	5 032
Conseil de L'Europe	Local government workshops	4	–	–	4
Conseil de L'Europe	Winter schools intergovernment relations	2	–	–	2
Raoul Wallenberg	Conference on Traditional Leaders	23	–	–	23
UNDP	White Paper on Disaster Management	443	–	–	443
UNDP	Establishment of a SADC Desk on Local Government	–	–	299	(299)
African Renaissance	Implementation of DRC project plan	–	2 000	909	1 091
Subtotal		43 137	3 403	35 886	10 654
Received in kind					
DFID	Consolidate Municipal Transformation Programme	–	27 187	27 187	–
USAID	Municipal Infrastructure Investment Framework	–	10 573	10 573	–
USAID	Local Governance Support Programme	–	4 281	4 281	–
GTZ	German Technical Cooperation Contribution on "Strengthening Local Governance Programme (SLGP)"	–	9 630	9 630	–
UNDP	Establishment of a SADC Desk on Local Government	–	150	150	–
Subtotal		–	51 821	51 821	–
		43 137	55 224	87 707	10 654

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for the year ended 31 March 2006

ANNEXURE 3A – STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2006 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 01/04/2006 R'000	Guarantees issued during the year R'000	Guaranteed released/ paid/ cancelled/ reduced balance the year R'000	Guaranteed interest outstanding as at 31 March 2006 R'000	Closing balance 31/03/2006 R'000	Realised losses not recoverable R'000
Stannic	Motor Vehicles	891	432	459	–	–	891	
Sub total		891	432	459	–	–	891	
ABSA Bank	Housing	88	120	–	32	–	88	
First National Bank	Housing	93	116	–	23	–	93	
Nedcor Bank	Housing	19	97	–	78	–	19	
Old Mutual Bank	Housing	16	52	–	36	–	16	
Standard Bank	Housing	90	96	33	39	–	90	
Sub total		306	481	33	208	–	306	–
Total		1 197	913	492	208	–	1 197	–

ANNEXURE 3B – STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2006

Nature of liability	Opening balance 01/04/2005 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable (provide details hereunder R'000)	Closing balance 31/03/2006 R'000
Claims against the department PE-Corporate Services vs Minister for Provincial and Local Government	–	575	–	–	575
Total	–	575	–	–	575

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ANNEXURE 4 – CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDING AND OTHER FIXED STRUCTURES	–	–	–	–
Dwellings	–	–	–	–
Non-residential buildings	–	–	–	–
Other fixed structures	–	–	–	–
Heritage assets	–	–	–	–
MACHINERY AND EQUIPMENT	15 596	6 122	–	21 718
Transport assets	1 646	607	–	2 253
Specialised military assets	–	–	–	–
Computer equipment	10 724	4 582	–	15 306
Furniture and Office equipment	3 226	933	–	4 159
Other machinery and equipment	–	–	–	–
LAND AND SUBSOIL ASSETS	–	–	–	–
Land	–	–	–	–
Mineral and similar non regenerative resources	–	–	–	–
INVESTMENT PROPERTY				
Investment property	–	–	–	–
CULTIVATED ASSETS				
Cultivated assets	–	–	–	–
TOTAL CAPITAL ASSETS	15 596	6 122	–	21 718

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ANNEXURE 4.1 – ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-kind R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	–	–	–
Dwellings	–	–	–
Non-residential buildings	–	–	–
Other fixed structures	–	–	–
Heritage assets	–	–	–
MACHINERY AND EQUIPMENT	6 122	–	6 122
Transport assets	607	–	607
Specialised military assets	–	–	–
Computer equipment	4 582	–	4 582
Furniture and Office equipment	933	–	933
Other machinery and equipment	–	–	–
LAND AND SUBSOIL ASSETS	–	–	–
Land	–	–	–
Mineral and similar non regenerative resources	–	–	–
INVESTMENT PROPERTY			
Investment property	–	–	–
CULTIVATED ASSETS			
Cultivated assets	–	–	–
TOTAL CAPITAL ASSETS	6 122	–	6 122

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ANNEXURE 4.2 – CAPITAL TANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2005

	Additions R'000	Disposals R'000	Total movement R'000
BUILDING AND OTHER FIXED STRUCTURES	–	–	–
Dwellings	–	–	–
Non-residential buildings	–	–	–
Other fixed structures	–	–	–
Heritage assets	–	–	–
MACHINERY AND EQUIPMENT	5 100	–	5 100
Transport assets	–	–	–
Computer equipment	3 952	–	3 952
Furniture and Office equipment	1 148	–	1 148
Specialised military assets	–	–	–
Other machinery and equipment	–	–	–
LAND AND SUBSOIL ASSETS	–	–	–
Land	–	–	–
Mineral and similar non regenerative resources	–	–	–
INVESTMENT PROPERTY			
Investment property	–	–	–
CULTIVATED ASSETS			
Cultivated assets	–	–	–
TOTAL CAPITAL ASSETS	5 100	–	5 100

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for the year ended 31 March 2006

ANNEXURE 5 – CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Patents, Copyrights, Brand Names and Trademarks	–	–	–	–
Computer Software	1 570	323	–	1 893
Masterheads and Publishing Titles	–	–	–	–
Recipes, Formulas, Prototypes, Designs and Models	–	–	–	–
Service and Operating Rights	–	–	–	–
Airport landing rights	–	–	–	–
Import/export licences	–	–	–	–
Fishing Quotas	–	–	–	–
Utility rights	–	–	–	–
Mineral extraction rights	–	–	–	–
TOTAL	1 570	323	–	1 893

ANNEXURE 5.1 – ADDITIONS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Cash R'000	In-kind R'000	Total R'000
Patents, Copyrights, Brand Names and Trademarks	–	–	–
Computer Software	323	–	323
Masterheads and Publishing Titles	–	–	–
Recipes, Formulas, Prototypes, Designs and Models	–	–	–
Service and Operating Rights	–	–	–
Airport landing rights	–	–	–
Import/export licences	–	–	–
Fishing Quotas	–	–	–
Utility rights	–	–	–
Mineral extraction rights	–	–	–
TOTAL	323	–	323

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for the year ended 31 March 2006

ANNEXURE 5.2 – DISPOSALS MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Costs/Carrying amount R'000	Cash R'000	Profit/loss on disposal R'000
Patents, Copyrights, Brand Names and Trademarks	–	–	–
Computer Software	–	–	–
Masterheads and Publishing Titles	–	–	–
Recipes, Formulas, Prototypes, Designs and Models	–	–	–
Service and Operating Rights	–	–	–
Airport landing rights	–	–	–
Import/export licences	–	–	–
Fishing Quotas	–	–	–
Utility rights	–	–	–
Mineral extraction rights	–	–	–
TOTAL	–	–	–

ANNEXURE 5.3 – CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR ENDED 31 MARCH 2006

	Additions R'000	Disposals R'000	Total movement R'000
BUILDING AND OTHER FIXED STRUCTURES			
Patents, Copyrights, Brand Names and Trademarks	–	–	–
Computer Software	440	–	440
Masterheads and Publishing Titles	–	–	–
Recipes, Formulas, Prototypes, Designs and Models	–	–	–
Service and Operating Rights	–	–	–
Airport landing rights	–	–	–
Import/export licences	–	–	–
Fishing Quotas	–	–	–
Utility rights	–	–	–
Mineral extraction rights	–	–	–
TOTAL	440	–	440

Annexures to the annual financial statements

for the year ended 31 March 2006

ANNEXURE 6 – INTER-GOVERNMENTAL RECEIVABLES

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
Department						
Arts and Culture	–	77	–	–	–	77
Home Affairs	18	–	–	18	–	–
Public Works	13	–	–	–	13	–
Water Affairs and Forestry	–	3 021	–	–	–	3 021
Western Cape Province	–	48	–	–	–	48
TOTAL	31	3 146	–	–	31	3 146

ANNEXURE 7 – INTER-DEPARTMENTAL PAYABLES – CURRENT

Government entity	Confirmed balance		Unconfirmed balance	
	31/03/2006 R'000	31/03/2005 R'000	31/03/2006 R'000	31/03/2005 R'000
DEPARTMENTS				
Current				
Foreign Affairs	52	–	43	158
Justice and Constitutional Development	–	83	–	24
Parliament of the RSA	–	5	–	–
South African Police Service	–	16	–	–
Gauteng Province	177	–	–	1 825
Western Cape Province	26	–	5	–
Subtotal	255	104	48	2 007
Total	255	104	48	2 007
OTHER GOVERNMENT ENTITY				
Current				
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	–	3 395	–	–
Subtotal	–	3 395	–	–
Total	–	3 395	–	–

Disclosure notes in respect of Conditional Grants in terms of
Section 27(2) of the Division of Revenue Act, 2005 (Act No 1 of 2005).

Annexures to the annual financial statements

for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1A – STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
EASTERN CAPE		
Nelson Mandela	Procurement policy conditions and budget amendments had to be followed first.	Money committed to paying of service providers
Ikwezi	Service providers appointed late.	Municipality will in future deal with supply chain management differently
Makana	Expenditure above 90%	
Kouga	Service providers appointed late.	In future money will be transferred in two instalments to accelerate spending
Cacadu District	Implementation of projects started late	In future money will be transferred in two instalments to accelerate spending
Mbashe	Spending poor due to late submission of activity plan by municipality	
Mquma	Spending poor due to late submission of activity plan by municipality	
Buffalo City	Projects started late due to delay in procurement of service providers	Service Delivery Facilitator has been appointed by the dplg to ensure timeous expenditure
Amatole District	Expenditure above 90%	
Tsolwana	Projects started late due to slow procurement of service providers	In future money will be transferred in two instalments to accelerate spending
Lukhanji	The municipality is in the process of requesting proposal for Section 78 assessment. Municipality also waited for new councilors to be appointed before starting with the educational program with communities.	Proposals advertised and responses awaited. Awareness campaign will be held in June '06
Intsika Yethu	Spending poor due to late submission of activity plan by municipality	Hands on support by the dplg through PC for assisting the municipality in spending
Emalahleni	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Engcobo	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Sakhisizwe	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Chris Hani District	Expenditure above 90%	
Elundini	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ukhahlamba District	High staff turn over in the PIMMS centre	dplg will work with municipalities to ensure that staff retention is proposed by better working conditions
Ntabankulu	PIMS and ward committees not yet been paid	Training for ward committees is to take off before end June 2006. PIMS SP to be paid mid June
Qaukeni	Expenditure above 90%	
Port St Johns	Expenditure above 90%	
Nyandeni	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending

Annexures to the annual financial statements

for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1A – STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Mhlontlo	Spending poor due to late submission of activity plan by municipality	Hands on support by the dplg through PC for assisting the municipality in spending
King Sabata Dalindyebo	Available budget committed to accomplish LED plan that is linked to the IDP	R685 710.64 committed to develop & implement LED plan
OR Tambo District	Expenditure above 90%	
Umzimkhulu	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Umzimvubu	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Alfred Nzo District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
FREE STATE		
Kopanong	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mohokare	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Xhariep District Municipality	Some projects have not yet been implemented due to various reasons, including activities leading to the election of new councilors. Advertisements for the electronic asset management system and supply chain management database projects were published in local paper	Although not many service providers responded to the advert for the electronic asset management system and supply chain management database projects, these await recommendations from the CFO and appointments by the Municipal Manager.
Naledi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mangaung	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mantsopa	Money was for Vuna award	
Motheo District Municipality	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Tokologo	Spending low because municipality submitted activity plan late	In future money will be transferred in two instalments to accelerate spending
Matjhabeng	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Tswelopele	raising of councilors delayed due to appointment of new councilors, currently in the process of developing LED policy, consultants busy installing GIS system, Internal audit currently in process	Councilor training scheduled to take place in May 2006, LED policy to be in place at end of June 2006, internal audit function will be completed during June/July 2006, GIS system will be in place at end of June 2006
Nala	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Lejweleputswa District	Expenditure above 90% (roll overs incl). Money to be spent for change management document and training of ward committees. SP costs less than expected. The budget for District could not included PIMS operational costs	Payment to be done in due course, filing system to be improved.
Setsoto	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending

Annexures to the annual financial statements

for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Phumelela	R40 000 initially allocated for development of Organisational Development Strategy has been re-committed to installation of computer network and office administration to improve internal communication and efficiency as per IDP. R64 000 initially allocate	Proposals have been reinvited closing early June 2006 for the outstanding funds to be committed before 27/06/06. The post of the CFO is currently vacant and the manager administration is attending to all MSIG grant administration. Someone appointed to focus on MSIG projects
Thabo Mofutsanyana District	Expenditure above 90%	
Moqhaka	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Fezile Dabi Dist	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
GAUTENG		
Ekuruleni	Expenditure above 90%	
City of Jo'burg	Expenditure above 90%	
City of Tshwane	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Kungwini	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Metsweding District	Spending low because municipality submitted activity plan late	In future money will be transferred in two instalments to accelerate spending
Lesedi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Sedibeng District	None	None
Randfontein	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Westonaria	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Merafong	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
West Rand District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
KWAZULU NATAL		
eThekwini	Expenditure above 90%	
Vulamehlo	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Umkumbe	Implementation of projects delayed by lack of meetings for top management and interference of politicians.	Top management has been restructured and vacant positions have been advertised. Financial related positions have been committed for the IT Shared Services with Ugu District.
Ugu District	Implementation delayed because business plan did not receive PIMS MANCO endorsement	It was decided to roll out the business plan without taking it to PIMS MANCO
Umshwati	Training of ward councilors still need to be done. IDP manager needs to be paid for May and June	Attempts are being made to have the training of ward councilors by end of June '06

Annexures to the annual financial statements

for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
uMngeni	Variance committed and will be paid to SPs before 30/06/06.	In future money will be transferred in two instalments to accelerate spending
Mooi Mpofana	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mkhambathini	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Richmond	IDP to be completed by 31/05/06. Warrants of arrests to be completed by 30/06/06	IDP ongoing process, Warrants of arrest programme to commence 1/06/06
Umgungundlovu District	Expenditure above 90%	
Indaka	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Okhahlamba	Some of the projects started very late like the election of ward committees. A portion of the allocation towards compilation of the general valuation roll had to be rolled over to the next financial year because it was not sufficient to the undertaking	Projects have been started
Uthukela District	None	None
Nquthu	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Msinga	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Umzinyanthi District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Utrecht	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Amajuba District	Danhouser's transfers withdrawn due to unavailability of progress reports and PIMS allocation not spent because the PMS review is not yet completed	Discussions with Dannhouser in progress to rectify the situation. PIMS funds to be used before end of June 2006. Councilor's workshop on 16/05/2006
Abaqulusi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Nongoma	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ulundi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Zululand District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Umlabauyalingana	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Jozini	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Big 5 False Bay	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending

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for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Hlabisa	Appointment of new councilors delayed IDP process.	Revised IDP draft out for comments, to be finalised before end of May '06, Call for proposals from SP's to assist in doing the performance management for the municipality using the draft IDP, work shop for councilors set for May '06
Umkhanyakude District	Underspensing was due to the vacancy for the junior planner that has not been filled to date.	Previous attempts at recruiting have been unsuccessful, will be started again in 06/07 FY
Mbonambi	Late appointment of ward committees and training	Training scheduled to take place from 13/05/06 – 11/06/06
Ntabanana	New ward committees had to be appointed	Variance will be used for ward committee training and public participation
Umlalazi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mthonjaneni	Valuator recently appointed and tenders are out for SP's	In future money will be transferred in two instalments to accelerate spending
Nkandla	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Uthungulu District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ndwendwe	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Maphumulo	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ilembe District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ingwe	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Kwa Sani	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Greater Kokstad	Outstanding payments for debt collecting project for April, May and June 06	
Ubuhlebezwe	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Sisonke District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
LIMPOPO		
Makhudutamaga	Ward committees have been established. SP for establishment of Audit Committee will be shared with district	Variance for Public Participation & Communication strategy will be used for the development of communication strategy. SP for internal audit function is on board and will be busy until December 2006.
Fetakgomo	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
G. Mable Hall	No variance	Hands on support by the dplg through PC for assisting the municipality in spending
G. Groblersdal	Expenditure above 90%	

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for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
G. Tubatse	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
G. Sekhukhune District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Maruleng	Service still under way	Penalise the SP for any work done beyond end of May
Bushbuckridge	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Bohlabela District	Municipality disbanded.	
G. Giyani	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
G. Letaba	The upgrading of financial systems will be done at end of August due to Financial year end.	None
Ba-Phalaborwa	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mopani District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mutale	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Thulamela	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Makhado	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Vhembe District	Expenditure above 90%	
Blouberg	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Aganang	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Lepelle Nkupi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Capricorn District	Expenditure above 90%	
Thabazimbi	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Modimolle	Expenditure above 90%	
Waterberg District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
MPUMALANGA		
Albert Luthuli	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Msukalikwa	Projects commenced only in April '06	
Mkhondo	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Seme	Problems with valuation project and billing system project	In future money will be transferred in two instalments to accelerate spending

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MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Lekwa	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Govan Mbeki	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Gert Sibande District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Delmas	Customer care system: Project commencement after newly elected council, Integrated management information system: project will commence after uploading of the management system	
Emalahleni	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Steve Tshwete	There were delays in the tender process	Tender has been awarded and money will be spend by end of municipal financial year end.
Emakhazeni	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Thembisile	The money was to be used for preparations of financial statements. No SP was appointed, the statements were prepared by Nkangala District at no cost.	The money will be used for compilation of 2005/06 financial statements.
Dr. J S Moroka	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Nkangala District	Expenditure above 90%	
Thaba Chweu	No variance	The money is planned to be spent in the next financial year on Valuation Roll.
Mbombela	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Umjindi	No variance	None
Nkomazi	Projects still in process	
Ehlanzeni District	Revision of IDP started late due to appointment of new councilors, Funds which were meant to be transferred to local municipalities to implement their PMS not transferred due to appointment of consultants to implement the new system (I CAN)	Funds will be redistributed to other projects and money to be spent by end of municipal financial year end.
NORTHERN CAPE		
Gamagara	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ga-Segonyana	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Kgalagadi District	IDP process completed with municipality's own funding, low spending on community participation because of absence of communication officer. Implementation of GAMAP system 90% complete	Money left over from IDP to be carried over to next FY. Municipality in process of appointing a communications officer. Implementation of GAMAP will exceed allocation but municipality will carry the amount.
Kamiesberg	Expenditure above 90%	None
Hantam	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending

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for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Karoo Hoogland	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Namakwa District	Expenditure above 90%	
Ubuntu	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Umsobomvu	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Kareeberg	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Renorsterberg	Projects delayed by appointment and training of new councilors	
Thembelihle	Municipality in the process of appointing qualified valuers for the implementation of property rates, training of councilors has been delayed. Due to elections implementation of projects has been slow, however the municipality is in the process of fast	In future money will be transferred in two instalments to accelerate spending
Siyancuma	During the advertising for the SP for development of the Integrated Development Plan & PMS the municipality made some mistakes in complying with the supply chain management. The finalisation of the tender process was the main reason for failure to spend.	SP appointed
Pixley Ka Seme District	Municipality still needs to pay salaries of PIMS staff and operations for two months	Requested additional funds from the District to carry PIMS still end of June 2006. We recommend that our allocation for 2006/07 be increased to accommodate expenditure
Mier	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Kai Gariep	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
!Kheis	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Tsantsabane	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Siyanda District	Training of councilors delayed due to appointment of new councilors	Newly appointed councilors to be trained before end of June '06
Dikgatlong	Projects progressing slowly.	Contractors to speed up projects
Phokwane	Projects still in progress	Municipality will complete all projects in August 2006.
Frances Baard District	Expenditure above 90%	
NORTH WEST		
Moretele	Spending delayed by the appointment of a Service Delivery Facilitator	Service Delivery Facilitator to be appointed soon
Moses Kotane	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending

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MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Bojanala District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ratlou	Upgrading of financial system has been delayed due to procurement procedures. Implementation of property rates system has been delayed due to extensive consultation on the draft property rates policy – passing a by-law on this matter.	Progress on compliance with Property Rates Act is in progress. Recommendation as been made by bid committee but not yet approved by Municipal Manager.
Tswaing	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mafikeng	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Ditsobotla	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Zeerust	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Central District	Expenditure above 90% because of roll overs. Portion of the budget on salaries and allowances was unspent due to the resignation of the Unit Manager in January. The budget on S&T and capacity building was also not satisfactorily spent due to this reason	Filling of the post of the Manager and perhaps acquiring the services of a secretary could ensure that the budget is better spent and also adhering firmly to the work plan. IDP review is being concluded and workshops on SDF
Kagisano	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Mamusa	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Greater Taung	Training on ward committees delayed due to appointment of new councilors	Revival of ward committee is in progress
Molopo	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Lekwa-Teemane	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Bophirima District	Expenditure above 90%	
Ventersdorp	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Southern District	The IDP review took place and Dist. Still waiting for locals to claim their costs in the IDP process. PMS money to be transferred in June '06	District will transfer money to the local municipalities according to the approved activity plan.
WESTERN CAPE		
City of Cape Town	Lack of capacity in implementing projects within a given year the municipality in spending	Hands on support by the dplg through PC for assisting
Matzikama	The consultant experienced internal human resources problems and could not stick to the work program	Projects to be fast tracked and money will be spent before end of municipal year end.
Cederberg	Planned implementation of ERIN system subject to extensive process	RFP/TGR tenders issued for closure 23/06/06. Meeting to follow in July 2006.

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for the year ended 31 March 2006

MUNICIPAL SYSTEM IMPROVEMENT GRANT (MSIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reason for variance	Remedial measures
Saldanha Bay	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
West Coast District	Training for Capacity building has been conducted in-house, Orientation of ward committees in progress & funds have been committed. Money committed for other projects	Funding for Capacity building rolled over, Ward committee training will be completed by end of FY.
Witzenberg	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Breede Valley	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Cape Winelands District		Expenditure above 90%
Threewaterskloof	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Overberg District	Expenditure above 90%	
Kannaland	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Knysna	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Eden District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Laingsburg	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Prince Albert	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending
Beaufort West	Consultants have been appointed to work on the identified projects: Financial Viability, shared service centre, LED strategy	Consultants will be requested to speed up the process and complete all projects before 30 June '06.
Central Karoo District	Lack of capacity in implementing projects within a given year	Hands on support by the dplg through PC for assisting the municipality in spending

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for the year ended 31 March 2006

MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Makana	Certain projects are still awaiting DWAF recommendation as well as registration from dplg . The municipality does not want to commit full MTEF until after elections.	Arranged a meeting with DWAF for projects awaiting recommendation.
Kouga	Projects have not all been registered as yet, as they are awaiting DWAF recommendation. In addition, commitments are at a very low level, which places the municipality under pressure to spend the allocation.	Meeting with DWAF and to fast track DWAF's concerns with the project.
Cacadu District Municipality	Municipality is experiencing mayor delays in DEAT registrations. This has an effect on the implementation of projects.	Provincial units of DEAT and MIG have met on two occasions to fast-track the approval process, however the Western Region of the DEAT only have two staff members and are experiencing delays in recommending on projects due to this capacity constraint.
Ngqushwa	The Hamburg road project has been put on hold until ownership of the road could be resolved by Dept. Transport. Municipality is with out a PMU manager. The PMU have serious problems with service providers that gets appointed.	Will arrange a meeting with the MM and discuss the poor implementation.
Amatole District Municipality	The Municipality experience 3-6 month delay with the SCM and CIBD Act. Expenditure has exceeded what was initially projected. The DWAF/mig project registrations are needed urgently the DM have spend R20 million on DWAF/MIG projects including BM still with dplg .	Have arrange a workshop on SCM and CIBD with National to assist Municipalities with this processes. In process with National with registrations of DWAF/MIG and Budget Maintenance Projects.
Chris Hani District Municipality	The Municipality experience 3-6 month delay with the SCM and CIBD Act. Municipality has over-spent on approximately 30 projects (of R40 million). The municipality has therefore spent a significant chunk of the allocation, but this cannot be reported as the budget maintenances have not been submitted to the MIG unit for registration. Huge challenge with DWAF/MIG budgets.	Have arrange a workshop on SCM and CIBD with National to assist Municipalities with this processes. The DWAF/MIG projects is waiting National approval.
Senqu	Dispute in Municipality with CFO and new councillors there for delay in projects expenditure.	PPMU had a meeting on the 20 March 2006 with full new council to discuss MIG procedures and process. Allocation will be spend by end of April 2006
Ukhahlamba District Municipality	Incorrect budgets from DWAF and budget maintenance on projects. Huge challenge with DWAF budgets and expenditure. DWAF projects awaiting National registration. Municipality has spent R40 million on these projects!	The DWAF/MIG projects is waiting National approval.
Mbizana	The Municipality is left with 75% to spend. The elections in that region hamper project implementation and council decisions.	Arranged a meeting with the LM to look in on processes that could assist with project implementation.

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for the year ended 31 March 2006

MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Port St Johns	The Municipality is left with 69% to spend. The municipality has experienced delays and difficulties with projects previously funded by the District Municipality, which has had an affect on expenditure. The elections in this region hampered project implementation and council decisions.	Arranged a meeting with the LM to look in on processes that could assist with project implementation.
OR Tambo District Municipality	Incorrect budgets from DWAF and budget maintenance on projects. Awaiting DWAF registration from National. The Municipality experience 3-6 month delay with the SCM and CIBD Act. Experience delay in IDP process will submit new projects for registration. R40 million worth project stuck due to court order.	Had a meeting with DM to commit for full MTEF and put remedial measures in place to fast track implementation. The municipality will not spend their allocation if intervention with SCM and CIBD is done. Arranged a Workshop on this matter in the EC to assist Municipalities with this problem.
Umzimvubu	All Construction sites closed on the 15 December 2005, and only opened during mid January 2006. This had an impact on the expenditure of the municipality. The Municipality has recently received project registration to spend money.	Individual Cluster meeting will be held this month to discuss action plans to increase expenditure.
Alfred Nzo District Municipality	Municipality is left with only 25% to spend and will spend it in April 2006	70% to 80% of their projects are in progress and will start bringing forward large claims.
Letsemeng	The municipality was a new receiving municipality and registered their projects very late in the financial year. Construction only started during March 2006.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Xhariep District Municipality	The municipality registered their projects very late. Two roads projects were recently registered, this will assist with the expenditure.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Naledi	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.
Mangaung	The municipality is still awaiting approval of technical reports from DWAF.	DWAF were requested to speed up the approval of the technical reports
Motheo District Municipality	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.
Masilonyana	Construction on projects started late.	Progress to be monitored.
Matjhabeng	Delay in construction on all projects due to heavy rains during January 2006 and February 2006. The delay in the appointment of contractors are also affecting progress.	A special meeting will be held with the Municipal Manager to discuss the challenges that the municipality are facing with the appointment of contractors. Progress will be closely monitored.
Nala	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.

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for the year ended 31 March 2006

MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Lejweleputswa District Municipality	Delay in construction on all projects due to heavy rains during January 2006 and February 2006. Late appointment of contractors are also affecting progress.	Progress to be monitored.
Setsoto	Delay in construction on all projects due to heavy rains during January 2006 and February 2006. Remaining funds to be spend during April and May 2006.	Progress to be monitored.
Nketoana	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.
Maluti-a-Phofung	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.
Phumelela	The municipality only received funds for bucket eradication. The municipality is awaiting the approval of the technical report for bucket eradication from DWAF.	DWAF were requested to speed up the approval of the technical reports. Progress to be monitored.
Thabo Mofutsanyana District Municipality	Awaiting the approval of the technical reports on wet projects in the Phumelela Municipality.	DWAF were requested to speed up the approval of the technical reports. Progress to be monitored.
Moqhaka	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.
Ngwathe	Delay in construction on all projects due to heavy rains during January 2006 and February 2006.	Progress to be monitored.
Mafube	Delay in projects due to heavy rain and also a delay in the appointment of contractors.	Progress to be monitored.
Northern Free State District Municipality	Delay in construction due to heavy rain during January 2006 and February 2006.	Progress to be monitored.
Ekurhuleni	Time consuming procurement processes in the Municipality, Outstanding EIA approvals on some of the projects,	The MIG Senior Management meeting that was held on the 27/02/2006 brought about some plans to assist in the progress. This will however assist in the long term more than in the short term. The turnkey projects which took off in January will assist as approximately R90 million is anticipated to be spent in these projects by end of April 2006.
City of Johannesburg	The municipality experiences no uncontrollable challenges in terms of expenditure.	The municipality anticipates to expend the allocation by April 2006.
City of Tshwane	The challenge is posed by the delay in procurement processes. On average it now takes about 9 months to get a contractor on a project. There is also lack of capacity and inappropriate planning within the municipality.	A meeting between the MM, PMMU and DPLG was held as scheduled on 06/04/06 in assisting with the current prevailing situation. Expenditure is expected to increase by the end of April 2006.
Metsweding District Municipality	A severe delay in procurement processes which makes it very difficult for the Municipality to perform as expected, the municipality is also experiencing undercapacity after the resignation of some of its key officials.	The PMMU has seconded a resource to work closely with the District and its locals.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Emfuleni	Contractors were appointed late, during February 2006. Expenditure expected to improve during the months of April and May 2006.	A meeting was held between the PMU and MM on the 7 April 2006 to fast track the progress on projects. A meeting will be scheduled between DLG and Emfuleni PMU during April 2006.
Midvaal	The municipality received MIG funds for the first time in 2005/06 financial year. The delays in procurement processes and late registration of projects	A meeting is scheduled for 11 April 2006, between DLG and Midvaal representatives.
Lesedi	The municipality received MIG funds for the first time in 2005/06 financial year. Late registration of projects at DPLG	Projects are now registered and expects to finish their allocation by the end of May 2006
Sedibeng District Municipality	Delay in reaching an agreement between Sedibeng and Emfuleni on who is going to take over second phase of implementation of the New regional cemetery project	A meeting was held with Sedibeng, Emfuleni and DLG on 29 March 2006. It was resolved that by 30 April an agreement must be drawn up between the stakeholders.
Randfontein	The process of appointing contractor is taking too long	The PMMU is closely working with the municipality in an attempt to bring about improvement in the current situation.
Westonaria	The municipality is receiving MIG funds for the first time in 2005/6. The process of appointing contractor is taking too long.	The PMMU is working closely with the municipality in an attempt to bring about improvement in the current situation.
Merafong City	The prevalence of the recent community unrest has had a negative impact on projects' implementation in the area and also on appointment of contractors.	The PMMU is closely working with the municipality in an attempt to bring about improvement in the current situation.
West Rand District Municipality	There is a dispute between the contractor and consultant over payment. The contractor is claiming for extension of time of which the consultant is disputing that. The matter is in court.	A meeting will be arranged with the MM to resolve the matter.
Hibiscus Coast	Four projects were recently registered. The work has been done at risk, the claims will be submitted in April.	Claims to the value of R2 700 000 will be submitted in April 2006.
uMngeni	The council is waiting registration of one project, Mpophomeni Ph 3. A claim was submitted of R476 000 which would have enabled them to reach their target.	Once registration is received of Mpophomeni Ph 3 the council will reach their target.
Mooi Mpofana		
Impendle		
Msunduzi	<ol style="list-style-type: none"> 1. New projects couldn't get under way in 2. Emerging contractors continue to under-perform 3. There are still problems with sureties 4. We couldn't get the landfill site project approved in time 	<ol style="list-style-type: none"> 1. Projects newly under way will hopefully result significant expenditure early in the new financial year 2. Council is re-looking at how it handles emerging contractor empowerment activities 3. The Procurement Unit, City Manager, PMU and project teams are working with contractors and consultants to improve performance etc. 4. A number of applications are being prepared, two are awaiting MIG approval, two are being prepared with DWAF assistance, and one major project is awaiting DWAF approval – hopefully to be considered on 19 April 2006

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Mkhambathini	The low expenditure was caused by late implementation of projects due to lack of planning.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Richmond		
uMgungundlovu District Municipality	Claims to the value of R7,900,000 was submitted but no notification of registration has been received for three projects. Therefore the claims could not be processed. The council would have met their target if these projects were registered.	The claims have been held back, until these projects are registered, which hopefully will be during the month of April. The full amount will be claimed as well as the planned expenditure for the currently running projects.
Newcastle	The low expenditure was caused by late implementation of projects due to lack of planning. Inclement weather conditions during January, February and March 2006 also affected expenditure.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Umhlaluyalingana	Late registration and implementation of projects had an impact on the low the expenditure. Even lack of support and capacity as the municipality was receiving MIG funds for first time.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Umkhanyakude District Municipality	Two projects were stopped due to an ongoing court case and the other due to a delay in the appointment of a contractor. These two projects have an outstanding amount of R14 000 000 that could not be claimed until the matters were resolved.	The court case has been finalised and R9 000 000 will be claimed during April for the project. The contractor has been appointed and approximately R5 000 000 will be claimed during April.
Mbonambi	Late registration and implementation of projects had an impact on the low the expenditure. Even lack of support and capacity as the municipality was receiving MIG funds for first time.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
KwaDukuza	Late registration and implementation of projects had an impact on the low the expenditure. Even lack of support and capacity as the municipality was receiving MIG funds for first time.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Ndwedwe		
Maphumulo	Late registration and implementation of projects had an impact on the low the expenditure. Even lack of support and capacity as the municipality was receiving MIG funds for first time.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Ilembe District Municipality	Delay in DWAF approvals. Some contractors have absconded from their sites and new contractors had to be appointed.	Expedite the DWAF approvals. Joint meetings will be held between Consultants and contractors to prevent further problems.
Greater Kokstad	Late registration and implementation of projects had an impact on the low the expenditure. Even lack of support and capacity as the municipality was receiving MIG funds for first time.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Makhuduthamaga	Low human resource capacity of PMU	Province has increased visits to sites. Municipality advised to increase human resource capacity
Greater Groblersdal	Late submission of project registration forms by the Municipality	The municipality plans to accelerated on site from now on.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Greater Sekhukhune Cross Boundary	Low human resource capacity. Slow physical implementation of projects.	Province to intervene again.
Bohlabela District Municipality assisting.	Uncertainty and lack of undertaking of strategic decisions due to cross-border issues.	Provincial and national levels to continue
Greater Tzaneen	Delay in construction progress due to abnormal weather conditions.	Municipality requests for extension of time after March
Mopani District Municipality	Delay in construction progress due to abnormal weather conditions.	Additional contractors employed to speed the process, where needed.
Makhado	The municipality is receiving MIG funds for the first time in 2005/6 financial year. Insufficient commitment to the programme at the municipality. Delays in construction due to rain.	Province to engage Municipality to establish possible solutions.
Polokwane	Procurement processes very slow.	Meetings, workshops, letters requesting the revision of processes and approaches
Lepelle-Nkumpi		
Capricorn District Municipality	Delayed procurement processes. Technical Director resigned; his task is now loaded on PMU Manager and that shifts PMU focus	Accelerated work on site. Province monitoring procurement timeframes
Albert Luthuli	The Municipality is having a problem with two projects, namely Water Reticulation to Phola and Upgrading of Lusushwane water scheme. The Department of Agriculture takes too long to issue the ROD (Record of Decision) to the municipality.	The Province had a meeting with the municipality on the 29 March 2006 and it has been agreed that the Provincial MIG Manager will have a meeting with Department of Agriculture to sort out the issue.
Pixley Ka Seme	The Environmental Impact Assessment for Siyazenzele sewer Treatment for R5 m was only received on the 08th December 2005. Acquisition of Land, the suitable land identified for the construction of the plant falls on a private property. The procurement process was also very slow.	The Environmental Impact Assessment were only approved and received by April 2006 and contractors are now appointed and on site. The municipality will spend the allocation by June 2006.
Lekwa	The Municipality has now appointed contractors for all the approved projects, but they didn't spend that much because there was too much rain and they are only implementing water and sanitation projects	The Province had a meeting with the municipality on the 29 March 2006 and the municipality confirmed that according to their projection they will spend their allocation by May.
Dipaleseng		
Govan Mbeki	Late submission of claims by consultants and contractors	The Consultants and contractors were requested to submit the claims early. All projects are now on track and funding outstanding will be spent by June.
Gert Sibande District Municipality	Slow performance of consultants and contractors	The Consultants and contractors were requested to speed up the process on ground.
Delmas	The municipality submitted 4 projects for roads and only two projects have been registered by dplg .	The Municipality has been following up with Province and National regarding the status of the project registration form.
Emalahleni	Amount of rain recorded caused at least a month extension on most of the projects and they were also savings on some projects.	The extension were granted to the contractors and the projects will be completed by June. The municipality is now extending the contract to fully utilise the budget.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Steve Tshwete	Inclement weather conditions affected the progress	The Municipality had a meeting with the consultants and contractors and an extension of time were given to the consultants and all the budgets will be spent by June.
Dr JS Moroka	Slow procurement processes causes late appointment of contractors	All contractors for the approved projects have been appointed and they are now on site.
Nkangala District Municipality	Slow performance of contractors on site and some of the projects have not yet been approved. Inclement weather conditions also contributed	The Province had a meeting with DWAF and the Municipality and all the outstanding projects that were prioritised have been recommended and to the poor performance of the municipality pending the National approval
Thaba Chweu		
Mbombela	The four roads projects that were started were washed away by rain and now the contractor has to start a fresh. The Nsikazi North project, there was no information on township layout	Now arrangements has been made, the Arial photographer were appointed.
Umjindi	The main tender led to re-advertised, because the municipality prefer a local contractor instead of the one recommended by the consultant. The tender closed on the 31 March 2006.	The main tender is progressing well, the municipality spent R2 million this month and more spending will show up by April. The Municipality and consultant are trying in shortening the procurement process in order to get the contractor on site before end of April.
Nkomazi	Slow procurement processes.	The Province had a meeting with the municipality on the 30 March 2006 and the Provincial MIG Manager will be having another meeting with the Municipal Manager on the 13 April 2006.
Ehlanzeni District Municipality	Most of the appointment consultants are not performing well on site	The Province had a meeting with the Municipality on the 30 March 2006 and another meeting were held with the consultants and the Province on the 31 March 2006 to request them to speed up the process.
Ga-Segonyana	The municipality registered their projects registered recently. The funds will only be spent by 30 June 2006.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Kgalagadi District Municipality	The DM registered their projects late in the financial year. Most of the projects are now under construction and expenditure will increase over the next two months.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Nama Khoi	Most of the projects are now in the design/ tender phases. Construction will commence in April 2006, expenditure will then increase.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Karoo Hoogland	The municipality only received funds for bucket eradication. The project was registered in February and is currently in the design/tender phases.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Khai-Ma	The municipality only received funds for bucket eradication. The project was registered in February and is currently in the design/tender phases.	The dplg and the provincial teams will monitor their progress and give assistance where possible.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Namakwa District Municipality	Lack of capacity. The Municipal Manager is also responsible for MIG.	The provincial team and dplg is assisting the municipality where possible.
Siyancoma	Lack of capacity within the municipality. Make use of consultants for assistance.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Karoo District Municipality	Most of the projects are in design/tender phases. The allocation will be spend by June 2006.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Mier	The municipality only received funds for bucket eradication. The project was registered in February and is currently in the design/tender phases.	DWAF,Province, dplg to recommend and register project.
Kaiy Garib	Community unhappy – project delayed.	
Khara Hais	The municipality only received funds for bucket eradication. The project was registered in February and is currently in the design/tender phases.	The MIG national unit and Provincial Department will monitor progress.
YKheis		
Tsantsabane	Two projects are currently under construction, the municipality was awaiting counterfunding approval from Council.	Contractor to complete the project in phases
Kgatelopele	The municipality only received funds for bucket eradication. The project is currently in the design/tender phases.	The MIG national unit and Provincial Department will monitor progress.
Dikgatlong	The municipality only received funds for bucket eradication. The project was registered in February and is currently in the design/tender phases.	The MIG national unit and Provincial Department will monitor progress.
Phokwane	The municipality received funds for the first time. The technical report for the bucket eradication project was referred back from DWAF. The Provincial MIG Team is still awaiting the revised technical report.	The dplg and the provincial teams will monitor their progress and give assistance where possible.
Frances Baard District Municipality	The municipality submitted projects for Magareng and Dikgatlong, the unit costs is to high, awaiting counferfunding approval.	The MIG national unit and Provincial Department will monitor progress.
Moretele	The low expenditure was caused by late implementation of projects due to lack of capacity and planning.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Madibeng	The low expenditure was caused by late implementation of projects due to lack of planning.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Rustenburg	The low expenditure was caused by late implementation of projects due to lack of planning and inclement weather conditions during January, Februare and March 2006.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006. New projects to start during April, this will increase expenditure.
Kgetlengrivier		
Moses Kotane	Heavy rains. Most of the projects are roads projects and it was difficult to get contractors on site.	Contractors are now back on site and they were urged to increase their man power in terms of labour force.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Bojanala Platinum District Municipality	Currently on all projects service providers have been appointed and sector department requirements are met. The variance is due to the late start of contractors as well as severe rainfall which took place in the last month.	Monitoring progress meetings with consultants have been set up on a bi-month basis, and contractors being advised to relook at certain tasks whereby faster construction methods can be applied.
Kagisano	Delay due to heavy rainfall during January, February and March 2006.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Mamusa	Delay due to heavy rainfall during January, February and March 2006.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Greater Taung	Delay in appointing of Contractors and due to heavy rains.	Municipality to arrange with contractors to work extended hours.
Bophirima District Municipality	The low expenditure was caused by late implementation of projects due to lack of planning and heavy rainfall during January, February and March 2006.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Ventersdorp	Most of the projects are roads projects, delay due to heavy rains	No remedial measures was provided by the municipality
Potchefstroom	Delays caused by the new supply chain management requirements, it still have an effect on the supply of material. Rain also caused problems on some projects.	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
Klerksdorp	Major delays due to high rainfall and EPWP projects. Construction time prolonged due to hand labour	The contractors will be monitored by-weekly basis to ensure that projects are completed before 30 June 2006
City of Cape Town	City of Cape Town expended their full allocation.	None required.
Matzikama	Matzikama started late with their projects and were not able to expend their full allocation. The Municipality indicated that the EIA process was time consuming.	Continued assistance from the provincial and national MIG Teams.

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MUNICIPAL INFRASTRUCTURE GRANT (MIG)

ANNEXURE 1B – STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

Municipality	Reasons for under-spending (less than 90%)	Remedial measures/actions
Cederberg	Technical officials claim that MIG funds have been expended, however the support and cooperation from the financial officials is lacking which has made it impossible to report full expenditure.	Continued assistance from the provincial and national MIG Teams.
Bergvriër		
West Coast District Municipality	West Coast lost their MIG Manager. New officials have been visited and trained by provincial team.	Continued assistance from the provincial and national MIG Teams.
Drakenstein	Drakenstein appointed a consultant to render support with MIG 8 and Monthly reports. The municipality requires more capacity for the volume of work involved.	High level discussions was conducted by the Provincial MIG Manager and senior personnel.
Stellenbosch	Contractor progress not up to standard on Tourism corridor project. EIA process is holding up up the sewer line and pump station project.	A meeting will be held with DEAT to discuss the approval processes of the EIA's.
Overstrand	A lack of continuity resulted by the resignation of the MIG Manager. Administrative support needed.	The dplg and the provincial MIG officials will assist the municipality with the implementation of MIG.
Knysna	The contractor withdrew from the bucket eradication project, the Karatara water project was delayed due to the EIA approval – the municipality reverted to the Sedgfield sludge project which is of lower cost, to spend their allocation by 30 June 2005.	The dplg and the provincial MIG officials will assist the municipality with the implementation of MIG

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TABLE 1.1 – MAIN SERVICES FOR SERVICE DELIVERY IMPROVEMENT AND STANDARDS

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
1. Systems	Municipalities	Private Sector	Develop Systems	Systems developed
2. Legislation, Regulations	Organised Local	NGO's	Develop Legislation	Legislation developed
3. Advice, technical support	Government	Academic	Transfer of Grants	
4. Grants, funding resources	Provincial	Institutions		Grants transferred for upgrading
5. Policy analysis and development	Government Traditional Leaders and Institutions Parliament Cabinet			

TABLE 1.2 – CONSULTATION ARRANGEMENTS FOR CUSTOMERS

Type of Arrangement	Actual Customers	Potential Customer	Actual Achievements
Provincial visits to consult on strategic plan	Provincial	Communities	Provincial input on the strategy
Provincial conferences	Departments of Local Government	Civil Society	Improved communication channels and relations
Develop policies with other National Departments	Municipalities Premiers Offices		Worked with other National Departments to develop policies on the roll-out of Free Basic Services
Consultative structures with employee organisation	Employee organisations	GPSSBL	Inputs received on Policy Developments

TABLE 1.3 – SERVICE DELIVERY ACCESS STRATEGY

Access Strategy	Actual Achievements
dplg website	dplg website improved and accessible to all clients
Publications	dplg work continuously publicised and communicated
On site visits	

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TABLE 1.4 – SERVICE INFORMATION TOOL

Type of Information Tool	Actual Achievements
Publications	A list of publications is provided as an annexure C to the Annual Report
Information Technology	dplg website
Imbizos	2 Events attended by the Ministry, Director-General and staff of the Department
IDP Nerve Centre PIMMS Centres	An internet-based information system that enables municipalities and departments to communicate key planning, Programme and project-based information to one another
IGMS	PIMMS-Centres are resources with information infrastructure and technology that provides municipalities' access to IDP related news and activities, applicable sector policies, guidelines and legislation, as well as sector strategies and frameworks and various studies.

TABLE 1.5 – COMPLAINT MECHANISM

Complaint Mechanism	Actual Achievements
Telephone Systems	Transparent and open communication
Letters of Complaints	Service delivery improved
Suggestion Boxes	
Meetings	
dplg Imbizos	

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TABLE 2.1 – PERSONNEL COSTS BY PROGRAMMES

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)
Programme 1 Administration	90 332	40 877
Programme 2 Governance Policy and Research	24 153	15 106
Programme 3 Urban and Rural Development	8 308	4 988
Programme 4 Systems and Capacity Building	83 379	21 306
Programme 5 Free Basic Services and Infrastructure	37 788	15 067
Programme 6 Provincial and Local Government Transfers	15 631 191	–
Programme 7 Fiscal Transfers	82 369	2 023
Theft and losses	42	–
TOTAL	15 957 562	99 367

TABLE 2.2 – PERSONNEL COSTS BY SALARY BAND

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department
Lower skilled (Levels 1-2)	1 010	1,0
Skilled (Levels 3-5)	6 049	6,1
Highly skilled production (Levels 6-8)	8 201	8,3
Highly skilled supervision (Levels 9-12)	28 637	28,8
Senior management (Levels 13-16)	43 963	44,2
Contract (Levels 1-2)	247	0,3
Contract (Levels 3-5)	755	0,8
Contract (Levels 6-8)	827	0,8
Contract (Levels 9-12)	2 814	2,8
Contract (Levels 13-16)	6 864	6,9
TOTAL	99 367	100

TABLE 2.3 – SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY PROGRAMME

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost
Programme 1 Administration	26 602	65,1	134	0,3
Programme 2 Governance Policy and Research	9 829	65,1	–	–
Programme 3 Urban and Rural Development	3 043	61,0	1	–
Programme 4 Systems and Capacity Building	13 602	63,8	–	–
Programme 5 Free Basic Services and Infrastructure	10 114	67,1	5	–
Programme 7 Fiscal Transfers	1 523	75,3	–	–
TOTAL	64 713	65,1	140	0,3

TABLE 2.4 – SALARIES, OVERTIME, HOME OWNERS ALLOWANCE AND MEDICAL AID BY SALARY BAND

Salary Bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost
Lower skilled (Levels 1-2)	720	71,3	15	1,5
Skilled (Levels 3-5)	4 466	73,8	34	0,6
Highly skilled production (Levels 6-8)	6 006	73,2	29	0,4
Highly skilled supervision (Levels 9-12)	20 608	72,0	45	0,2
Senior management (Levels 13-16)	25 568	63,1	–	–
Contract (Levels 1-2)	190	76,9	–	–
Contract (Levels 3-5)	573	75,9	2	0,3
Contract (Levels 6-8)	545	65,9	15	1,8
Contract (Levels 9-12)	1 980	70,4	–	–
Contract (Levels 13-16)	4 057	59,1	–	–
TOTAL	64 713	65,1	140	4,8

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	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
	979	–	45,3	211	194
	110	–	62,5	275	55
	81	–	60,0	384	13
	156	–	25,5	270	79
	34	–	39,9	321	47
	–	–	–	–	–
	–	–	2,5	184	11
	–	–	0,0	–	–
	1 360	–	0,6	249	399

	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
	67 312	1 077	16
	77 963	6 393	82
	138 639	8 457	61
	262 189	29 103	111
	509 460	44 323	87
	251 000	251	1
	87 888	791	9
	279 667	839	3
	220 692	2 869	13
	433 188	6 931	16
	2 327 998	101 034	399

	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
	476	1,2	1 399	3,4	40 877
	239	1,6	536	3,6	15 106
	123	2,5	128	2,6	4 988
	455	2,1	663	3,1	21 306
	307	2,0	443	2,9	15 067
	31	1,5	28	1,4	2 023
	1 634	10,9	3 197	17	99 367

	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
	23	2,3	61	6,0	1 010
	44	0,7	358	5,9	6 049
	90	1,1	423	5,2	8 201
	391	1,4	1 036	3,6	28 637
	779	1,9	1 216	3,0	43 963
	–	–	–	–	247
	–	–	–	–	755
	–	–	–	–	827
	73	2,6	13	0,5	2 814
	231	3,4	90	1,3	6 864
	1 631	1,6	3 197	3,2	99 367

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TABLE 3.1 – EMPLOYMENT AND VACANCIES BY PROGRAMME AT END OF PERIOD

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Programme 1 Administration, Permanent	160	124	22,5	9
Programme 2 Government Policy and Research, Permanent	89	68	23,6	3
Programme 3 Urban and Rural Development, Permanent	16	14	12,5	–
Programme 4 Systems and Capacity Build, Permanent	93	71	23,7	1
Programme 5 Free Basic Service and Infrastructure, Permanent	50	39	22,0	14
Programme 7 Fiscal Transfers, Permanent	33	24	27,3	7
Unknown, Permanent	31	25	19,4	–
TOTAL	472	365	22,7	34

TABLE 3.2 – EMPLOYMENT AND VACANCIES BY SALARY BAND AT END OF PERIOD

Salary bands	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	28	26	7,1	–
Skilled (Levels 3-5), Permanent	98	84	14,3	1
Highly skilled production (Levels 6-8), Permanent	87	74	14,9	–
Highly skilled supervision (Levels 9-12), Permanent	137	101	26,3	1
Senior management (Levels 13-16), Permanent	122	80	34,4	–
Contract (Levels 1-2)	–	–	–	1
Contract (Levels 3-5)	–	–	–	6
Contract (Levels 6-8)	–	–	–	2
Contract (Levels 9-12)	–	–	–	11
Contract (Levels 13-16)	–	–	–	12
TOTAL	472	365	22,7	34

TABLE 3.3 – EMPLOYMENT AND VACANCIES BY CRITICAL OCCUPATION AT END OF PERIOD

Critical occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Administrative related, Permanent	154	121	21,4	13
Other administrative policy and related officers, Permanent	11	10	9,1	–
Secretaries and other keyboard operating clerks, Permanent	74	61	17,6	2
Senior managers, Permanent	118	98	16,9	13
TOTAL	357	290	18,8	28

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TABLE 4.1 – JOB EVALUATION

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	28	1	3,6	–	–	–	–
Contract (Levels 1-2)	–	–	–	–	–	–	–
Contract (Levels 3-5)	–	–	–	–	–	–	–
Contract (Levels 6-8)	–	–	–	–	–	–	–
Contract (Levels 9-12)	–	–	–	–	–	–	–
Contract (Band A)	–	–	–	–	–	–	–
Contract (Band B)	–	–	–	–	–	–	–
Contract (Band D)	–	–	–	–	–	–	–
Skilled (Levels 3-5)	98	6	6,1	–	–	–	–
Highly skilled production (Levels 6-8)	87	1	1,1	2	200	–	–
Highly skilled supervision (Levels 9-12)	137	4	2,9	–	–	–	–
Senior Management Service Band A	74	4	5,4	–	–	–	–
Senior Management Service Band B	41	2	4,9	2	100	–	–
Senior Management Service Band C	6	1	–	–	–	–	–
Senior Management Service Band D	1	–	–	–	–	–	–
TOTAL	472	19	3,8	4	22	–	–

TABLE 4.2 – PROFILE OF EMPLOYEES WHOSE POSITIONS WERE UPGRADED DUE TO THEIR POSTS BEING UPGRADED

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	–	–	–	1
Male	1	1	–	1	3
TOTAL	2	1	–	1	4
Employees with a Disability	–	–	–	–	–

TABLE 4.3 – EMPLOYEES WHOSE SALARY LEVEL EXCEED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of employees in Dept
Media Liaison Officer	1	13	B+	Scarce skills	
Senior Manager	1	13	A	Buy offer	
Administrative Assistant	1	5	9	Buy offer	
TOTAL	3				399
Percentage of Total Employment					0,75

TABLE 4.4 – PROFILE OF EMPLOYEES WHOSE SALARY LEVEL EXCEEDED THE GRADE DETERMINED BY JOB EVALUATION [I.T.O. PSR 1.V.C.3]

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	–	–	–	2
Male	–	1	–	–	1
TOTAL	2	1	–	–	3
Employees with a Disability	–	–	–	–	–

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TABLE 5.1 – ANNUAL TURNOVER RATES BY SALARY BAND

Salary Band	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	22	4	1	4,5
Skilled (Levels 3-5), Permanent	78	18	14	17,9
Highly skilled production (Levels 6-8), Permanent	49	15	3	6,1
Highly skilled supervision (Levels 9-12), Permanent	103	23	12	11,7
Senior Management Service Band A, Permanent	46	13	2	4,3
Senior Management Service Band B, Permanent	24	1	5	20,8
Senior Management Service Band C, Permanent	8	–	1	12,5
Senior Management Service Band D, Permanent	1	–	–	–
Contract (Levels 1-2)	5	6	10	200
Contract (Levels 3-5)	6	6	11	183,3
Contract (Levels 6-8)	8	6	8	100
Contract (Levels 9-12)	6	13	8	133,3
Contract (Band A)	1	–	–	–
Contract (Band B)	1	12	2	200
Contract (Band C)	1	–	–	–
TOTAL	359	117	77	21,4

TABLE 5.2 – ANNUAL TURNOVER RATES BY CRITICAL OCCUPATION

Occupation	Employment at Beginning of Period (April 2005)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	91	25	14	15,4
Other administrative policy and related officers, Permanent	15	3	–	–
Secretaries and other keyboard operating clerks, Permanent	63	15	10	15,9
Senior managers, Permanent	79	14	8	10,1
TOTAL	248	58	32	12,9

TABLE 5.3 – REASONS WHY STAFF ARE LEAVING THE DEPARTMENT

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Resignation, Permanent	18	23,4	7,0	77	359
Expiry of contract	39	50,6	8,4	77	359
Discharged due to ill health, Permanent	1	1,3	0,3	77	359
Dismissal-misconduct, Permanent	2	2,6	0,6	77	359
Retirement, Permanent	2	2,6	0,6	77	359
Transfers to other Departments	15	19,5	4,2	77	359
TOTAL	77	100	16,7	77	359

Resignations as % of Employment

16,7

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TABLE 5.4 – PROMOTIONS BY CRITICAL OCCUPATION

Occupation	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	91	11	12,1	1	1,1
Other administrative policy and related officers	15	1	6,7	–	–
Secretaries and other keyboard operating clerks	63	10	15,9	–	–
Senior managers	79	7	8,9	2	2,5
TOTAL	248	29	11,7	3	1,2

TABLE 5.5 – PROMOTIONS BY SALARY BAND

Salary band	Employment at Beginning of Period (April 2005)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (Levels 1-2), Permanent	22	–	–	–	–
Skilled (Levels 3-5), Permanent	78	8	10,3	–	–
Highly skilled production (Levels 6-8), Permanent	49	11	22,4	–	–
Highly skilled supervision (Levels 9-12), Permanent	103	3	2,9	1	1
Senior management (Levels 13-16), Permanent	79	7	8,9	2	2,5
Contract (Levels 1-2)	5	–	–	–	–
Contract (Levels 3-5)	6	–	–	–	–
Contract (Levels 6-8)	8	–	–	–	–
Contract (Levels 9-12)	6	–	–	–	–
Contract (Levels 13-16)	3	–	–	–	–
TOTAL	359	29	8,1	3	0,8

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TABLE 6.1 – TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL CATEGORY (SASCO)

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
Legislators, senior officials and managers, Permanent	74	9	7	90	
Professionals, Permanent	–	1	–	1	
Clerks, Permanent	30	7	–	37	
Service and sales workers, Permanent	2	–	–	2	
Craft and related trade workers, Permanent	–	–	–	–	
Elementary occupations, Permanent	12	–	–	12	
TOTAL	118	17	7	142	
Employees with disabilities	1	–	–	–	

TABLE 6.2 – TOTAL NUMBER OF EMPLOYEES (INCL. EMPLOYEES WITH DISABILITIES) PER OCCUPATIONAL BANDS

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
Top Management, Permanent	–	2	–	2	
Senior Management, Permanent	33	5	4	42	
Professionally qualified and experienced specialists and mid-management, Permanent	41	3	3	47	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	3	–	16	
Semi-skilled and discretionary decision making, Permanent	19	4	–	23	
Unskilled and defined decision making, Permanent	12	–	–	12	
Contract (Top Management)	1	–	–	1	
Contract (Senior Management)	2	–	–	2	
Contract (Professionally qualified)	7	–	–	7	
Contract (Skilled technical)	1	–	–	1	
Contract (Semi-skilled)	4	–	–	4	
Contract (Unskilled)	1	–	–	1	
TOTAL	134	17	7	158	

TABLE 6.3 – RECRUITMENT

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
Senior Management, Permanent	6	–	1	7	
Professionally qualified and experienced specialists and mid-management, Permanent	11	–	–	11	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	6	–	–	6	
Semi-skilled and discretionary decision making, Permanent	5	1	–	6	
Unskilled and defined decision making, Permanent	4	–	–	4	
Contract (Senior Management)	6	1	–	7	
Contract (Professionally qualified)	5	–	–	5	
Contract (Skilled technical)	1	–	–	1	
Contract (Semi-skilled)	4	–	–	4	
Contract (Unskilled)	1	–	–	1	
TOTAL	49	2	1	52	
Employees with disabilities	–	–	–	–	

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	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	20	64	7	1	72	14	196
	–	–	1	–	1	–	2
	–	79	1	1	81	19	137
	1	–	–	–	–	–	3
	1	–	–	–	–	–	1
	–	14	–	–	14	–	26
	22	157	9	2	168	33	365
	1	–	–	–	–	–	2

	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	1	3	–	–	3	–	6
	10	22	5	–	27	3	82
	9	39	3	1	43	12	111
	2	26	1	–	27	16	61
	–	53	–	1	54	1	78
	–	14	–	–	14	–	26
	–	–	–	–	–	1	2
	–	–	–	–	–	1	3
	–	7	1	–	8	–	15
	–	3	–	–	3	–	4
	–	3	–	–	3	1	8
	–	2	–	–	2	–	3
	22	172	10	2	184	35	399

	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	1	4	1	–	5	1	14
	–	12	–	–	12	–	23
	–	9	–	–	9	–	15
	–	12	–	–	12	–	18
	–	–	–	–	–	–	4
	3	1	–	–	1	1	12
	1	6	1	–	7	–	13
	–	5	–	–	5	–	6
	–	1	–	–	1	1	6
	–	5	–	–	5	–	6
	5	55	2	–	57	3	117
	–	1	–	–	1	–	1

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TABLE 6.4 – PROMOTIONS

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
Top Management, Permanent	–	–	–	–	
Senior Management, Permanent	2	–	–	2	
Professionally qualified and experienced specialists and mid-management, Permanent	–	–	–	–	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	–	–	2	
Semi-skilled and discretionary decision making, Permanent	1	1	–	2	
Unskilled and defined decision making, Permanent	1	–	–	1	
Contract (Senior Management)	–	–	–	–	
Contract (Professionally qualified)	–	–	–	–	
Contract (Skilled technical)	–	–	–	–	
Contract (Semi-skilled)	–	–	–	–	
TOTAL	6	1	–	7	

TABLE 6.5 – TERMINATIONS

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
Top Management, Permanent	1	–	–	1	
Senior Management, Permanent	3	–	–	3	
Professionally qualified and experienced specialists and mid-management, Permanent	4	–	–	4	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	–	–	2	
Semi-skilled and discretionary decision making, Permanent	2	–	–	2	
Unskilled and defined decision making, Permanent	1	–	–	1	
Contract (Top Management)	–	–	–	–	
Contract (Senior Management)	2	–	–	2	
Contract (Professionally qualified)	3	–	–	3	
Contract (Skilled technical)	3	–	–	3	
Contract (Semi-skilled)	8	–	–	8	
Contract (Unskilled)	–	–	–	–	
TOTAL	29	–	–	29	
Employees with disabilities	–	–	–	–	

TABLE 6.6 – DISCIPLINARY ACTION

Disciplinary actions	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
TOTAL	1	1	–	2	

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	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	1	1	–	–	1	–	2
	–	1	1	–	2	1	5
	–	3	–	–	3	–	3
	1	8	–	–	8	–	11
	–	5	–	–	5	–	7
	–	–	–	–	–	–	1
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	2	17	1	–	19	1	29

	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	–	–	–	–	–	–	1
	2	2	–	–	2	–	7
	1	7	–	–	7	–	12
	–	1	–	–	1	–	3
	–	10	1	–	11	1	14
	–	–	–	–	–	–	1
	–	–	–	–	–	–	–
	–	–	–	–	–	–	2
	1	3	1	–	4	–	8
	–	5	–	–	5	–	8
	–	3	–	–	3	–	11
	–	10	–	–	10	–	10
	4	41	2	–	43	1	77
	–	–	–	–	–	–	–

	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	–	5	–	–	5	1	8

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TABLE 6.7 – SKILLS DEVELOPMENT

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	
Legislators, Senior Officials and Managers	82	2	1	85	
Professionals	–	–	–	–	
Technicians and Associate Professionals	–	–	–	–	
Clerks	29	–	–	29	
Service and Sales Workers	–	–	–	–	
Skilled Agriculture and Fishery Workers	–	–	–	–	
Craft and related Trades Workers	–	–	–	–	
Plant and Machine Operators and Assemblers	–	–	–	–	
Elementary Occupations	8	–	–	8	
TOTAL	119	2	1	122	
Employees with disabilities	–	–	–	–	

TABLE 7.1 – PERFORMANCE REWARDS BY RACE, GENDER AND DISABILITY

	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	45	172	27,1	741	16 460
African, Male	46	134	33,8	855	18 584
Asian, Female	1	2	50,0	24	23 972
Asian, Male	2	7	25,0	72	35 753
Coloured, Female	3	10	33,3	94	31 457
Coloured, Male	7	17	38,9	184	26 275
Total Blacks, Female	49	184	27,7	859	17 531
Total Blacks, Male	55	158	34,0	1 110	20 187
White, Female	18	35	50,0	361	20 039
White, Male	19	22	82,6	574	30 188
Employees with a disability	2	2	–	–	–
TOTAL	247	734	35,3	4 874	240 446

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	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
	6	81	–	–	81	9	181
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	59	–	–	59	3	91
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
	–	5	–	–	5	–	13
	6	145	–	–	145	12	285
	–	–	–	–	–	–	–

TABLE 7.2 – PERFORMANCE REWARDS BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT SERVICE

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Lower skilled (Levels 1-2)	14	26	53,8	40	2 857
Skilled (Levels 3-5)	24	85	27,1	151	6 565
Highly skilled production (Levels 6-8)	28	74	37,8	359	12 821
Highly skilled supervision (Levels 9-12)	43	102	40,2	1 067	26 024
Contract (Levels 1-2)	–	1	–	–	–
Contract (Levels 3-5)	1	6	16,7	5	5 000
Contract (Levels 6-8)	1	2	50	14	14 000
Contract (Levels 9-12)	1	11	9,1	26	26 000
Periodical Remuneration	–	–	–	–	–
Abnormal Appointment	–	–	–	–	–
TOTAL	112	307	35,5	1 662	93 267

TABLE 7.3 – PERFORMANCE REWARDS BY CRITICAL OCCUPATION

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	32	109	29,4	735	22 969
Other administrative policy and related officers	13	18	72,2	301	23 154
Secretaries and other keyboard operating clerks	13	63	20,6	171	13 154
Senior managers	32	92	34,8	985	30 781
TOTAL	90	282	31,9	2 192	90 058

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TABLE 7.4 – PERFORMANCE RELATED REWARDS (CASH BONUS) BY SALARY BAND FOR SENIOR MANAGEMENT SERVICE

SMS Band	Number of Beneficiaries	Total Employment
Band A	16	52
Band B	12	34
Band C	4	5
Band D	–	1
TOTAL	32	92

TABLE 8.1 – FOREIGN WORKERS BY SALARY BAND

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total
Senior management (Levels 13-16)	2	100	2	50
Contract (Levels 13-16)	–	–	1	100
TOTAL	2	–	3	–

TABLE 8.2 – FOREIGN WORKERS BY MAJOR OCCUPATION

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total
Professionals and managers	2	100	3	66.7
TOTAL	2	–	3	–

TABLE 9.1 – SICK LEAVE FOR JAN 2005 TO DEC 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave
Lower skilled (Levels 1-2)	65	86,2	12	4,7
Skilled (Levels 3-5)	343	75,5	54	20,9
Highly skilled production (Levels 6-8)	378	82,3	48	18,6
Highly skilled supervision (Levels 9-12)	438	77,8	79	30,6
Senior management (Levels 13-16)	398	83,2	52	20,2
Contract (Levels 1-2)	3	100,0	1	0,4
Contract (Levels 3-5)	14	78,6	3	1,2
Contract (Levels 6-8)	2	50,0	2	0,8
Contract (Levels 9-12)	11	100,0	4	1,6
Contract (Levels 13-16)	11	63,6	3	1,2
TOTAL	1 663	80	258	100

TABLE 9.2 – INCAPACITY LEAVE (TEMPORARY AND PERMANENT) FOR JAN 2005 TO DEC 2005

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability leave	% of Total Employees using Disability Leave
TOTAL	–	–	–	–

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	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
	30,8	422	34 750	0,8	26 912
	35,3	425	35 420	0,8	18 539
	80	164	41 000	0,3	6 095
	–	–	–	–	–
	34,8	1 011	111 170	1,9	51 546

	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
	(1)	(100)	2	2	1
	1	100	–	1	1
	–	–	–	–	–

	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
	1	–	2	3	1
	–	–	–	–	–

	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
	5	10	258	56
	6	74	258	259
	8	141	258	311
	6	331	258	341
	8	694	258	331
	3	–	258	3
	5	3	258	11
	1	1	258	1
	3	11	258	11
	4	19	258	7
	6	1 284	258	1 331

	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of Employees using Disability Leave
	–	–	–	–

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TABLE 9.3 – ANNUAL LEAVE FOR JAN 2005 TO DEC 2005

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	329	22	15
Skilled (Levels 3-5)	1 317,68	16	84
Highly skilled production (Levels 6-8)	1229	18	68
Highly skilled supervision (Levels 9-12)	2 025,08	18	113
Senior management (Levels 13-16)	1 557	18	87
Contract (Levels 1-2)	63	16	4
Contract (Levels 3-5)	84	8	10
Contract (Levels 6-8)	73	9	8
Contract (Levels 9-12)	118	7	16
Contract (Levels 13-16)	147	10	15
TOTAL	6 942,76	17	420

TABLE 9.4 – CAPPED LEAVE FOR JAN 2005 TO DEC 2005

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2005	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2005	Number of Employees as at 31 December 2005
Lower skilled (Levels 1-2)	16	8	54	2	542	10
Skilled (Levels 3-5)	10	5	20	2	454	23
Highly skilled production (Levels 6-8)	17	3	33	5	1 059	32
Highly skilled supervision (Levels 9-12)	43	5	37	9	2 266	61
Senior management (Levels 13-16)	38	5	39	7	1 476	38
TOTAL	124	5	35	163	5 797	164

TABLE 9.5 – LEAVE PAYOUTS

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2005/06 due to non-utilisation of leave for the previous cycle	52	10	5 200
Capped leave payouts on termination of service for 2005/06	158	28	5 643
Current leave payout on termination of service for 2005/06	41	9	4 556
TOTAL	251	47	5 340

TABLE 10.1 – STEPS TAKEN TO REDUCE THE RISK OF OCCUPATIONAL EXPOSURE

Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
All staff not taking precautionary measures	1. Fully functional Quality of Work life unit
	2. Developed EAP policy and guidelines
	3. Active First Aid points
	4. Health and wellness prevention and awareness Programmes

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TABLE 10.2 – DETAILS OF HEALTH PROMOTION AND HIV/AIDS PROGRAMMES [TICK YES/NO AND PROVIDE REQUIRED INFORMATION]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mr TP Biyela, Senior Manager: OD
2. Does the department have a dedicated unit or have you designated specific staff members to promote 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.	✓		Quality of Work life (QWL) with two professionals. The official budget allocated was R 280 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the Programme.	✓		Counselling services Information Life skills training
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.	✓		QWL (Quality of Work Life) Committee Unit representatives Sport Code coordinators
5. Has the department reviewed the employment policies and practices of your department 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.	✓		Policy reviewed to prevent discrimination against employees living with the virus.
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.	✓		Confidential EAP support, referral to specialised counselling service agents. Increase in request to referrals, pre-testing counselling support, request for more information on VCT, VCT sites
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		Number of employees who voluntary share the results with QWL professionals.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion Programme? If so, list these measures/indicators.	✓		Annual health questionnaire distributed, evaluations on health day's/health information session held.

TABLE 11.1 – COLLECTIVE AGREEMENTS

Subject Matter	Date
None	N/A

TABLE 11.2 – MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Case withdrawn	4	66,70%	4
Theft	2	33,30%	2
TOTAL	6	100,00%	6

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TABLE 11.3 – TYPES OF MISCONDUCT ADDRESSED AND DISCIPLINARY HEARINGS

Type of misconduct	Number	% of total
Assault	1	12,50%
Malicious damage	1	12,50%
Late coming	1	12,50%
Contravening Public Service code of Conduct	1	12,50%
Theft	1	12,50%
Insubordination	3	37,50%
TOTAL	8	100,00%

TABLE 11.4 – GRIEVANCES LODGED

Number of grievances addressed	Number	% of total
Resolved	4	57,1%
Not resolved	3	42,9%
TOTAL	7	100,0%

TABLE 11.5 – DISPUTES LODGED

Number of disputes addressed	Number	% of total
Upheld	–	–
Dismissed	–	–
TOTAL	–	–

TABLE 11.6 – STRIKE ACTIONS

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

TABLE 11.7 – PRECAUTIONARY SUSPENSIONS

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

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TABLE 12.1 – TRAINING NEEDS IDENTIFIED

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	78	–	9	–	9
	Male	101	–	22	–	22
Professionals	Female	1	–	35	–	35
	Male	2	–	11	–	11
Technicians and associate professionals	Female	–	–	15	–	15
	Male	–	–	11	–	11
Clerks	Female	99	–	16	–	16
	Male	23	–	20	–	20
Service and sales workers	Female	–	–	–	–	–
	Male	8	–	–	–	–
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	1	–	–	–	–
Plant and machine operators and assemblers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary occupations	Female	16	–	–	7	7
	Male	13	–	–	5	5
Gender sub totals	Female	194	–	75	7	82
	Male	148	–	64	5	69
TOTAL		684	–	278	24	302

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TABLE 12.2 – TRAINING PROVIDED

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes and other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	95	–	90	–	90
	Male	120	–	91	–	91
Professionals	Female	1	–	–	–	–
	Male	1	–	–	–	–
Technicians and associate professionals	Female	–	–	–	–	–
	Male	–	–	–	–	–
Clerks	Female	42	–	59	–	62
	Male	107	–	26	–	29
Service and sales workers	Female	–	–	–	–	–
	Male	3	–	–	–	–
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	1	–	–	–	–
Plant and machine operators and assemblers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary occupations	Female	16	–	–	5	5
	Male	13	–	1	7	8
Gender sub totals	Female	154	3	149	5	157
	Male	245	3	118	7	128
TOTAL		798	6	534	24	570

TABLE 13.1 – INJURY ON DUTY

Nature of injury on duty	Number	% Of total
Required basic medical attention only	–	–
Temporary Total Disablement	–	–
Permanent Disablement	–	–
Fatal	–	–
TOTAL	–	–

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TABLE 14.1 – REPORT ON CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
FQ74/2005: Training Programme 7 Habits of Highly Effective People	4	10 days	R200 000,00
FQ73/2005: Development of Property Rates Policy Model tool for municipalities	3	21 days	R91 656,00
FQ88/2005: Competency Framework for Senior Managers in local government	2	546 days	R1 727 893,44
FQ80/2005: Constitutional Expert for the Development of the Intergovernmental Relations Framework Act in pocket size booklet	3	23,5 days	R234 840,00
FQ85/2005: Audit on Intervention and possible development of a policy framework that will manage implementation of Section 100/139 of the Constitution	2	7 days	R21 000,00
The implementation strategy roadmap for municipal infrastructure investment and strengthening of municipal infrastructure practices towards sustainable service delivery	1	150 days	R669 989,00
T05/2005: Performance Management Systems implementation audit	1	120 days	R419 556,48
FQ72/2005: Development of capacity building plan for Lepelle Nkumpi Municipality in Capricorn District Municipality and Mutale Municipality in Vhembe District Municipality, Limpopo	5	14 days	R60 000,00
FQ90/2005: Refinement of the local government anti-corruption strategy and development of the implementation plan	3	15 days	R149 793,78
FQ04/2005: Service provider to develop the M&E System into the FBS portal of the dplg	3	44 days	R346 560,00
FQ94/2005: Service provider to develop a change management strategy for the dplg	1	90 days	R189 240,00
FQ93/2005: Design and implementation of the community mobilisation and perception management strategy for Project Consolidate	4	158 days	R585 188,08
FQ89/2005: Compiling a competency framework for senior local government officials to address the Project Consolidate key performance areas	2	23,5 days	R234 840,00
FQ96/2005: Developing a fully functional equitable share model determining allocation to individual municipalities for the 2006/07 to 2008/09 financial years and 2007/08 to 2009/10 financial years.	2	720 days	R199 975,40
FQ01/2006: Event Management for Ward Committee handbook and resource book launch	5	25 days	R76 500,00
T07/2005: Drafting and implementation of Stakeholder mobilisation strategy for Project Consolidate	4	720 days	R4 972 299,00
T01/2005: The development of a baseline information document on the current distribution of powers and functions and the impact thereof in terms of devolution to the local government sphere and strategy for management of this process	4	60 days	R299 501,00
T10/2005: Compilation of lessons learnt resource book on urban renewal practices	3	120 days	R490 656,00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
	52	2867	R10 969 488,18

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TABLE 14.2 – ANALYSIS OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS, I.T.O. HDIS

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
FQ74/2005: Training Programme 7 Habits of Highly Effective People	65%	65%	2
FQ73/2005: Development of Property Rates Policy Model tool for municipalities	100%	94%	3
FQ88/2005: Competency Framework for Senior Managers in local government	–	–	–
FQ80/2005: Constitutional Expert for the Development of the Intergovernmental Relations Framework Act in pocket size booklet	–	–	–
FQ85/2005: Audit on Intervention and possible development of a policy framework that will manage implementation of Section 100/139 of the Constitution	–	–	–
The implementation strategy roadmap for municipal infrastructure investment and strengthening of municipal infrastructure practices towards sustainable service delivery	80%	–	2
T05/2005: Performance Management Systems implementation audit	100%	25%	2
FQ72/2005: Development of capacity building plan for Lepelle Nkumpi Municipality in Capricorn District Municipality and Mutale Municipality in Vhembe District Municipality, Limpopo	100%	50%	1
FQ90/2005: Refinement of the local government anti-corruption strategy and development of the implementation plan	–	–	–
FQ26/2006: Development of Capacity Building plans for Pixley Ka Seme, Thulamela, Mopani and Capricorn Municipalities	100%	100%	–
FQ24/2006: Rendering advice and assistance to the dplg	–	–	–
FQ25/2006: A service provider to conduct research on behalf of the dplg regarding a policy paper on Khoisan government issues	–	–	–
FQ23/2006: Rendering advice and assistance to the dplg	–	–	–
FQ04/2005: Service provider to develop the M&E System into the FBS portal of the dplg	100%	100%	1
FQ94/2005: Service provider to develop a change management strategy for the dplg	100%	100%	1
FQ93/2005: Design and implementation of the community mobilisation and perception management strategy for Project Consolidate	100%	100%	4
FQ28/2006: Service provider to undertake the project work of the IGR Stakeholder Relations Directorate	–	–	–
FQ20/2006: Rendering of advisory services in the office of the Chief Financial Officer	–	–	–
FQ89/2005: Compiling a competency framework for senior local government officials to address the Project Consolidate key performance areas	–	–	–
FQ96/2005: Developing a fully functional equitable share model determining allocation to individual municipalities for the 2006/07 to 2008/09 financial years and 2007/08 to 2009/10 financial years.	60%	60%	1
FQ01/2006: Event Management for Ward Committee handbook and resource book launch	33,33%	33,33%	3
T07/2005: Drafting and implementation of Stakeholder mobilisation strategy for Project Consolidate	100%	100%	2
T01/2005: The development of a baseline information document on the current distribution of powers and functions and the impact thereof in terms of devolution to the local government sphere and strategy for management of this process	3,50%	1	1
T10/2005: Compilation of lessons learnt resource book on urban renewal practices	60%	30%	2

Addendum A: Legislation Administered by the **dplg** for the year ended 31 March 2006

1. Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)
2. Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
3. Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
4. Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)
5. The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act, 2002 (Act No. 19 of 2002).
6. The Black Administration Act, 1927 (Act No. 38 of 1927), excluding sections 1, 2(7), 7(bis), 7(ter), 8, 11, 11A, 12, 20, 21A, 22, 22(bis) and 23.
7. Disaster Management Act, 2002 (Act No. 57 of 2002)
8. Local Government: Municipal Structures Amendment Act, 2000 (Act No. 33 of 2000)
9. Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
10. Local Government: Cross-boundary Municipalities Act, 2000 (Act No. 29 of 2000)
11. Disestablishment of the Local Government Affairs Council Act, 1999 (Act No. 59 of 1999)
12. Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
13. Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
14. Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)
15. Transfer of Staff to Municipalities Act, 1998 (Act No. 17 of 1998)
16. Organised Local Government Act, 1997 (Act No. 52 of 1997)
17. Repeal of Local Government Laws Act, 1997 (Act No. 42 of 1997)
18. South African Olympic Hosting Act, 1997 (Act No. 36 of 1997)
19. The National House of Traditional Leaders Act, 1997 (Act No. 10 of 1997,
20. Remuneration of Town Clerks Act Repeal Act, 1996 (Act No. 61 of 1996)
21. The Local Government Transition Act, 1993 (Act No. 209 of 1993)
22. The Local Government Affairs Second Amendment Act, 1993 (Act No. 117 of 1993)
23. The Local Government Affairs Amendment Act, 1993 (Act No. 56 of 1993)
24. The Local Authority Affairs Amendment (House of Assembly) Act, 1991 (Act No. 127 of 1991), excluding sections 3, 6, 7, 8, 9 and 12.
25. Section 23 of the KwaZulu/Natal Joint Services Act, 1990 (Act No. 84 of 1990)
26. The Municipal Accountants Act, 1988 (Act No. 21 of 1988)
27. The Pension Benefits for Councillors of Local Authorities Act, 1987 (Act No. 105 of 1987).
28. Sections 2 and 15 of the Fire Brigade Services Act, 1987 (Act No. 99 of 1987)
29. Rural Areas Act (House of Representatives), 1987 (Act No. 9 of 1987) excluding sections 20, 21(2), 42, 45, 49, 49A, 50, 52 and 55.
30. The Abolition of Development Bodies Act, 1986 (Act No. 75 of 1986), excluding section 2(5).
31. The Regional Services Councils Act, 1985 (Act No. 109 of 1985), in so far as it relates to the Minister of Finance, and in so far as it applies to the Regional Services Councils established for certain regions and sections 15, 15B and 16.
32. Promotion of Local Government Affairs Act, 1983 (Act No. 91 of 1983), excluding Chapter 1 and 1A and section 14, section 15 insofar as it is applied with respect to sections 3(12), 6(1)(b) and 7A(2), and sections 17A and 17G.
33. The Civil Protection Act, 1977 (Act No. 67 of 1977), excluding sections 2, 2A, 3, 4, 5, 6(1) and 7.
34. Section 5 of the Removal of Restrictions Act, 1967 (Act No. 84 of 1967)
35. Jan Kempdorp Act, 1964 (Act No. 40 of 1964)

List of departmental publications

for the year ended 31 March 2006

TITLE

Annual Report 2004/05

Strategic Plan 2005 – 2010

Rural Focus and Urban News newsletters

Remuneration Framework for Municipal Councillors

Resource Book and Handbook for Ward Committees

Guidelines on Municipal Services Partnerships

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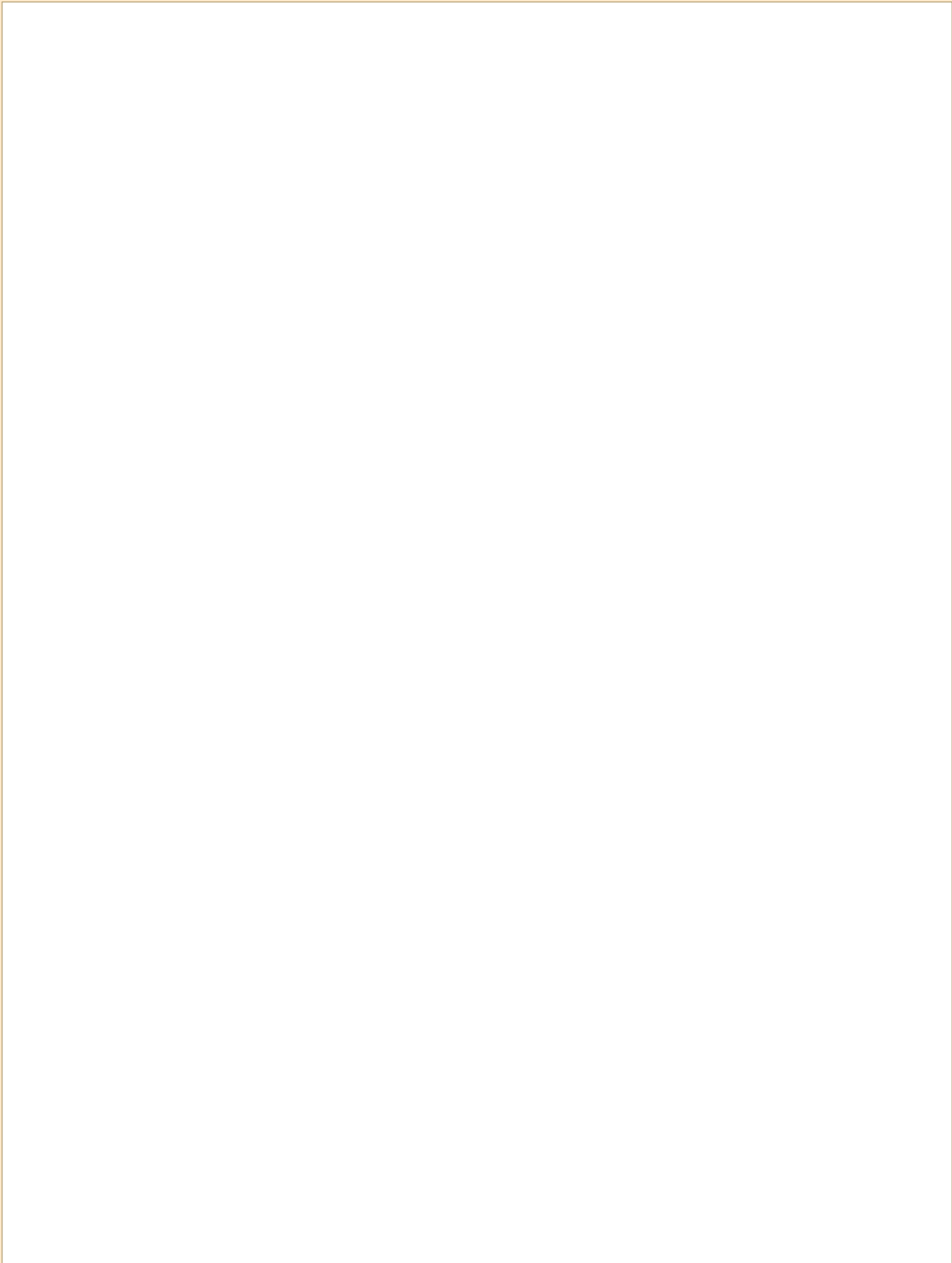
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the dplg

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