



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT
FINANCIAL YEAR 2006/2007



the dplg

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Mr. FS Mufamadi
Minister 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 2006 to 31 March 2007.

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 2006/2007 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 2007

Acronyms and abbreviations

for the year ended 31 March 2007

AC	Audit Committee	GRAP	Generally Recognised Accounting Practice
AFS	Annual Financial Statement	GTZ	German Agency for Technical Cooperation
AG	Auditor-General	HDI's	Historically Disadvantaged Individuals
BEE	Black Economic Empowerment	HH	Household
BT	Business Trust	IAC	Internal Arrangement Committee
CDWs	Community Development Workers	ICDM	Intergovernmental Committee on Disaster Management
CLGF	Commonwealth Local Government Forum	ICT	Information and Communication Technology
DBSA	Development Bank of Southern Africa	IDP	Integrated Development Planning
DFA	Department Of Foreign Affairs	IDPNC	Integrated Development Planning Nerve Centre
DMA	Disaster Management Act	IDT	Independent Development Trust
DoC	Department of Communication	IGPF	Intergovernmental Planning Framework
DoH	Department of Housing	IGR	Intergovernmental Relations
DORA	Division of Revenue Act	IMFO	Institute of Municipal Finance Officers
dplg	Department of Provincial and Local Government	IKS	Indigenous Knowledge Systems
dpsa	Department of Public Service and Administration	IRC	Information Resource Centre
DRC	Democratic Republic of Congo	ISRDP	Integrated Sustainable Rural Development Programme
DSD	Department of Social Development	KPA	Key Performance Area
EAP	Environment Action Plan or Employee Assistance Programme	KSP	Knowledge Sharing Programme
EDI	Electricity Distribution Industry	LED	Local Economic Development
EDMS	Electronic Document Management Solution	LGAC	Local Government Anti-Corruption
ENE	Estimates of National Expenditure	LGA-CP	Local Government Anti-Corruption Programme
EU	European Union	LGCBG	Local Government Capacity Building Grant
Exco	Executive Committee	LGCS	Local Government Communication System
FBE	Free Basic Electricity	LGES	Local Government Equitable Share
FBS	Free Basic Services or Free Basic Sanitation	LGNET	Local Government Network
FBSI	Free Basic Service and Infrastructure	LGSA	Local Government Strategic Agenda
FBW	Free Basic Water	LGSETA	Local Government Sector Education and Training Authority
FOSAD	Forum of South African Directors-General	LM	Local Municipalities
G&A	Governance and Administration	LOGOLA	Local Government Leadership Academy
GAMAP	Generally Accepted Municipal Accounting Practice	M&E	Monitoring and Evaluation
GCIS	Government Communication and Information System	MANCO	Management Committee
GDS	Growth and Development Summit	MDB	Municipal Demarcation Board
GIS	Geographic Information System	MFMA	Municipal Finance Management Act
GPoA	Government Programme of Action	MIG	Municipal Infrastructure Grant
GPR	Governance Policy and Research		

MIIF	Municipal Infrastructure Investment Framework	PCC	President's Co-ordinating Council
MinMec	Minister and Members of the Executive Committee	PCAS	Policy Coordination and Advisory Services
MIP	Municipal Infrastructure Programme	PGDS	Provincial Growth and Development Strategies
MIS	Management Information System	PFMA	Public Finance Management Act
MLDP	Municipal Leadership Development Programme	PMDS	Performance Management and Development System
MPCCs	Multi-Purpose Community Centres	PMMS	Performance Management and Monitoring System
MPRA	Municipal Property Rates Act	PMUs	Programme Management Units
MSA	Municipal Systems Act	PPP	Public Private Partnership
MSIG	Municipal Systems Improvement Grant	PSUs	Provincial Support Units
MSP	Master Systems Plan or Municipal Support Programme; Municipal Services Partnership	QWL	Quality of Work Life
MTMP	Municipal Transformation Monitoring Programme	RED	Regional Energy Distributor
MTEC	Medium Term Expenditure Committee	RSC	Regional Services Council
MTEF	Medium Term Expenditure Framework	RSA	Republic of South Africa
MOU	Memorandum Of Understanding	SAACE	South African Association of Consulting Engineers
NA	National Assembly	SACN	South African Cities Network
NCOP	National Council of Provinces	SADC	Southern African Development Community
NDMC	National Disaster Management Centre	SALGA	South African Local Government Association
NDMAF	National Disaster Management Advisory Forum	SAMDI	South African Management Development Institute
NDMF	National Disaster Management Framework	SAPS	South African Police Service
NEPAD	New Partnership for Africa's Development	SAQA	South African Qualification Authority
NHTL	National House of Traditional Leadership	SLAs	Service Level Agreements
NNR	National Nuclear Regulator	SMLDP	Senior Management Leadership Development Programme
NPDG	National Partnership Development Grant	SUPPS	Support Unit for the Public Provision of Services
NPA	National Prosecution Authority	SDC	Social Development Committee
NPI	National Productivity Institute	SDF	Service Delivery Facilitator
NQF	National Qualification Framework	SSC	Social Sector Cluster
NRF	National Revenue Fund	TAC	Technical Advisory Committee
NYS	National Youth Service	TCC	Tradition, Customs and Culture
NSDP	National Spatial Development Perspective	TMT	Top Management Team
NT	National Treasury	UN	United Nations
ODA	Official Development Assistance	UNISA	University of South Africa
OM	Old Mutual	URF	Urban Renewal Forum
PA	Performance Agreement	URP	Urban Renewal Programme
POA	Programme of Action	UCLGA	United Cities and Local Government of Africa
PC	Project Consolidate	VCT	Voluntary Counselling and Testing

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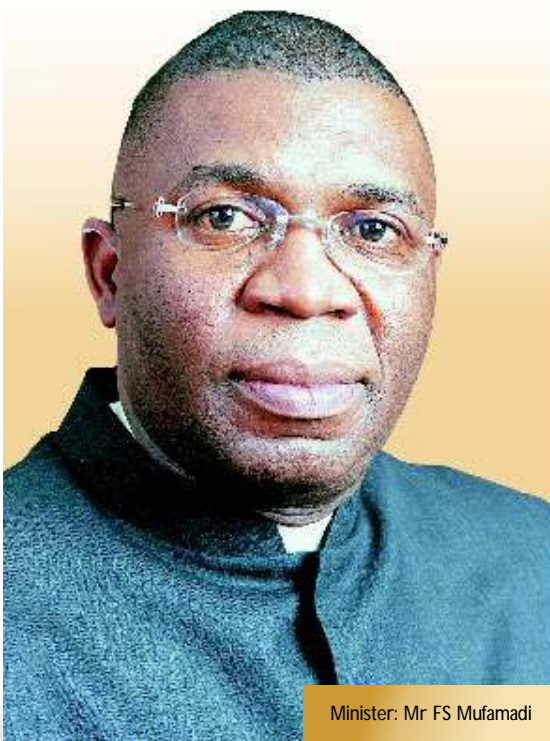
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Minister: Mr FS Mufamadi

Foreword by the Minister

This annual report by the Department of Provincial and Local Government (dplg) records some of the achievements made as part of the government's continued efforts to respond to the needs of our people in the 2006/7 financial year.

These include the improvements in the creation of an enabling environment for municipal infrastructure provision through the implementation of the Municipal Infrastructure Grant (MIG). Other areas of achievement are improved systems and capacity building efforts in provincial and local government and the launch of the Local Government Anti Corruption in October 2006.

During the period under review, the management of the MIG including the dplg's support and monitoring of municipal spending was well established with the overall quantum of MIG spending by municipalities having increased since the establishment of the Grant in 2004. The

expenditure at the end of March 2006 was 73% and 96.6% at the end of the municipal financial year of June 2006. As at end March 2007 the expenditure was 82% and it was 97% by the end of the municipal financial year of June 2007.

This programme has assisted municipalities to undertake better forward planning in the context of their Integrated Development Plans (IDPs). Furthermore, the Municipal Infrastructure Policy and Asset Management guidelines were also published in this time.

There has been an improvement in compliance with the Division of Revenue Act (DORA), with all the funds for the



Local Government Equitable Share (LGES) (R18bn) and the Municipal Systems Improvement Grant (MSIG) (R200m) having been transferred to municipalities in the 2006/7 financial year. The first set of Municipal Property Rates Act (MPRA) Regulations, addressing administrative issues, was gazetted and the support programme for the MPRA is being rolled out.

The Performance Management Regulations (PMR) were also gazetted for implementation on the 1st of August 2006. Workshops were convened in all nine provinces and in selected districts to communicate the regulations and facilitate the implementation of the PMR through guidelines and manuals.

As part of our government's continued efforts to build capacity and to improve service delivery a total of two hundred and eighty one (281) experts were deployed to provide hands-on support to eighty five (85) Project Consolidate municipalities, by the end of 2006. This was done in cooperation with non-governmental expertise and capabilities.

Furthermore, the Intergovernmental Relations Framework Act, (Act no. 13 of 2005) was promulgated and Integrated Development Planning (IDP) reviews were completed in all the provinces.

There is ongoing work towards the creation of conditions, which are conducive to sustainable local economic development. Following the January 2006 Cabinet Lekgotla approval of the Local Economic Development (LED) Draft framework that is aligned to the Accelerated and Shared

Growth Initiative for South Africa (ASGI-SA), LED experts were deployed to the Eastern Cape, KwaZulu Natal and Limpopo through the European Union (EU) funded programme.

With regard to improving development opportunities in the nodal municipalities, detailed economic profiles were conducted for all urban and rural nodes, including the identification of key interventions for public sector institutions and the identification of private sector investment opportunities. Impact assessments were also conducted in four urban and two rural nodes, namely Alfred Nzo, Maluti-a-Phofung, Alexandra, Motherwell, Khayelitsha and Mitchells Plain. These assessments highlighted results achieved to date in the areas of basic services delivery and intergovernmental cooperation.

The work achieved in this period under review goes a long way towards meeting the goals which our government has set for itself and the Millennium Development Goals which include the universalisation of access to basic services such as water and electricity. The implementation plan of these goals is contained in the department's Strategic Agenda for 2007-2012 which will help in our response to the needs of our people.

Mr FS Mufamadi
Minister for Provincial and Local Government



Deputy Minister: Ms NE Hangana

Message by the Deputy Minister

The year under review has been productive and challenging for the dplg. While we are progressively moving towards achievement of the aim of developing and promoting a national system of integrated and co-operative governance and to support the other spheres of government in doing so, we have not lost sight of our broader role of facilitating processes of attaining a better life for all our people.

Community Involvement

We have over the years learned that such a better life will not be easily realised without the people's active participation in planning around issues that affect them almost on a regular basis. We have equally learned that creating a better life for all is not an event, but a process, a process stifled by a number of challenges ranging from lack of resources as well as capacity. I am however confident that

the initiatives the dplg has put in place to deal with those challenges will yield good results.

Significant milestones geared towards involving the ordinary people in playing a meaningful role to decide which direction should be taken to improve their living conditions marked the financial year under review.

This is evident in all the Izimbizo that took place and the



people's involvement in the drafting of Integrated Development plans (IDP's). We would like to thank all those who participated in these important processes. The inputs received give us as government an informed platform for future more focused planning.

Partnership

It is of crucial importance that we acknowledge the role played by the Presidency and all the political heads from Government Departments who heeded the people's call by actively participating in the Izimbizo programmes, their presence smoothened the future relations that we will have with our communities.

All the role-players from national, provincial and local government are also commended in ensuring that the work of the three spheres of government is really geared towards improving the plights of our people. The improved coordinated intervention is noticeable and such a positive change gives us an impetus to accelerate our efforts towards ensuring more effective service delivery in the new term of local government. Our combined efforts together with some private sector partners has been fruitful and assisted us in speeding up some of the planned interventions. The role played by these partners are greatly appreciated and acknowledged. There is furthermore an increase in positive recognition of the crucial role that different economies play amongst these interventions. We should point out the role played by Business Trust in economic development support to some of the nodal areas.

Institutions

We would like to extend our sincere thanks to the following institutions for the advisory role they played during the past year: SALGA, Municipal Demarcation Board; South African Cities Network; Commission for the Promotion of Rights of Cultural, Religious and Linguistic Communities; the Commission on Traditional Leadership Disputes and Claims and the National House of Traditional Leaders.

dplg officials

The dplg is also grateful for the ongoing commitment of its leadership and officials, all this could not be possible without your efforts. A special thanks to the Director-General, Ms Lindiwe Msengana-Ndlela and her team for the outstanding performance without which we could have not gotten to where we are today.

I am confident that we will approach the coming year with enthusiasm and vigour to improve on our efforts.

Ms Nomatyala Hangana
Deputy Minister for Provincial and Local Government

The dplg at a glance

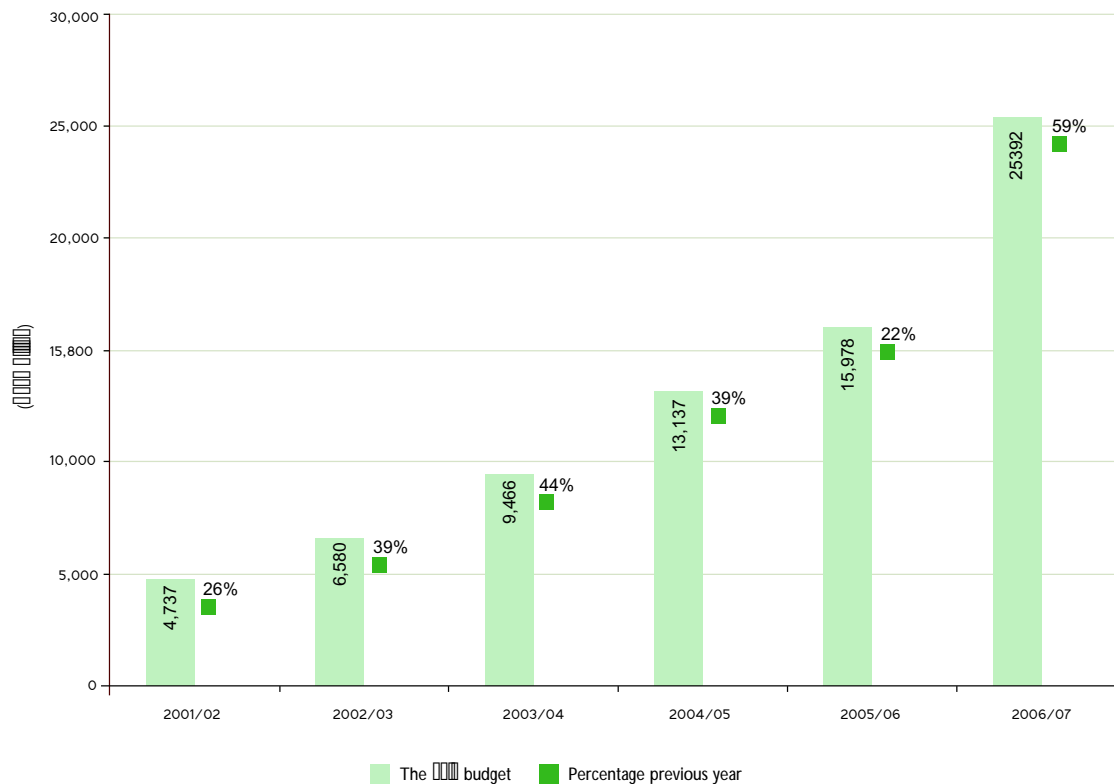
for the year ended 31 March 2007

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.	For the year 2000 more than 800 municipalities were amalgamated and the 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 the provincial and local spheres of government.

Allocation Trends - Municipalities

for the year ended 31 March 2007



FINANCE

5. Out of the three (3) components of the government's budget (National, Provincial and Local), the allocations 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 2006/07 financial year, the annual transfer amounted to R 25,3 billion and is expected to increase to approximately R31 billion by the 2008/09 financial year.
7. In the 2006/7 financial year, the total expenditure in the dplg amounted to R24,6 billion. This represents 96,8% of the total appropriation.



Director-General: Ms L. Msengana-Ndlela

Overview by the Accounting Officer

The dplg budgetary allocation from the national fiscus has been increasing steadily from R4.7 billion in 2001/02 to R25.3 billion in 2006/07.

The management of these resources has been a key priority of our department throughout this period. We are pleased to announce that, once again, the dplg has received an unqualified audit opinion from the Auditor-General.

With high levels of managerial commitment and relatively increasing financial resources, our department has been able to consistently pursue the objective of reconstruction and development in South Africa. This 2006/07 Annual Report represents yet another milestone and a tangible set of outcomes, in our endeavour to serve our people.

In the last financial year, we indicated that some of the most basic fundamentals that must be addressed in the second

term of local government (2006 to 2011), relate to capacity, accountability and leadership at local level. Coupled with these fundamentals, practice also pointed to the need for policy refinement, where appropriate, in order to improve performance. These were the basic tenets of Project Consolidate since we initiated it in 2004.

In the year under review, we have increased our efforts in supporting provinces, metropolitan and district municipalities to develop Growth and Development Strategies (GDSs). This was the first time that this initiative was introduced at district level. All 46 district municipalities and 6 metropolitan areas were able to host Growth and Development Summits with the full participation of community representatives and other important



stakeholders. Furthermore, by the end of the financial year, our department had established support systems that would ensure a 100% adoption rate of municipal Integrated Development Plans (IDPs). This would be a big improvement from the mere 40% adoption rate that was registered in 2002/03 financial year.

We have also continued to mobilise and deploy technical experts to various municipalities. It has been encouraging to see the growing numbers of individuals, public and private organisations, who have offered their expertise in these capacity building initiatives.

In recognition of the need to balance our social delivery programmes with a more strategic approach to economic development, we launched the National Framework for Local Economic Development (LED), complemented by a capacity building programme.

Our intention is to mobilise the rest of government in creating an environment for socio-economic development, leveraging on public resources in the R25b budget of the dplg in 2006/07.

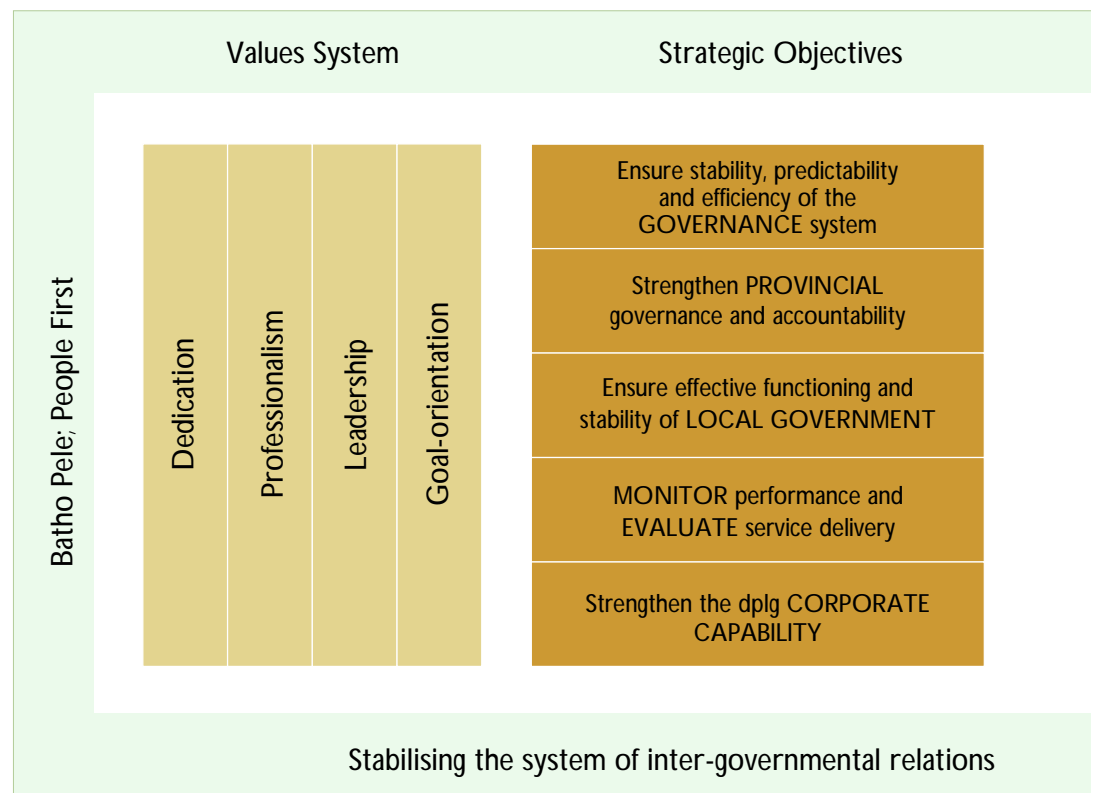
Of significance has been the greater attention that we have paid to accountability measures and the enforcement of existing local government legislation. The Municipal Performance Management Regulations that we published, are intended to provide a framework for employment of municipal managers, the capping of bonuses and clearer procedures for performance reviews. We have complemented this initiative by

providing training to councillors and local leaders, in partnership with the South African Local Government Association (SALGA).

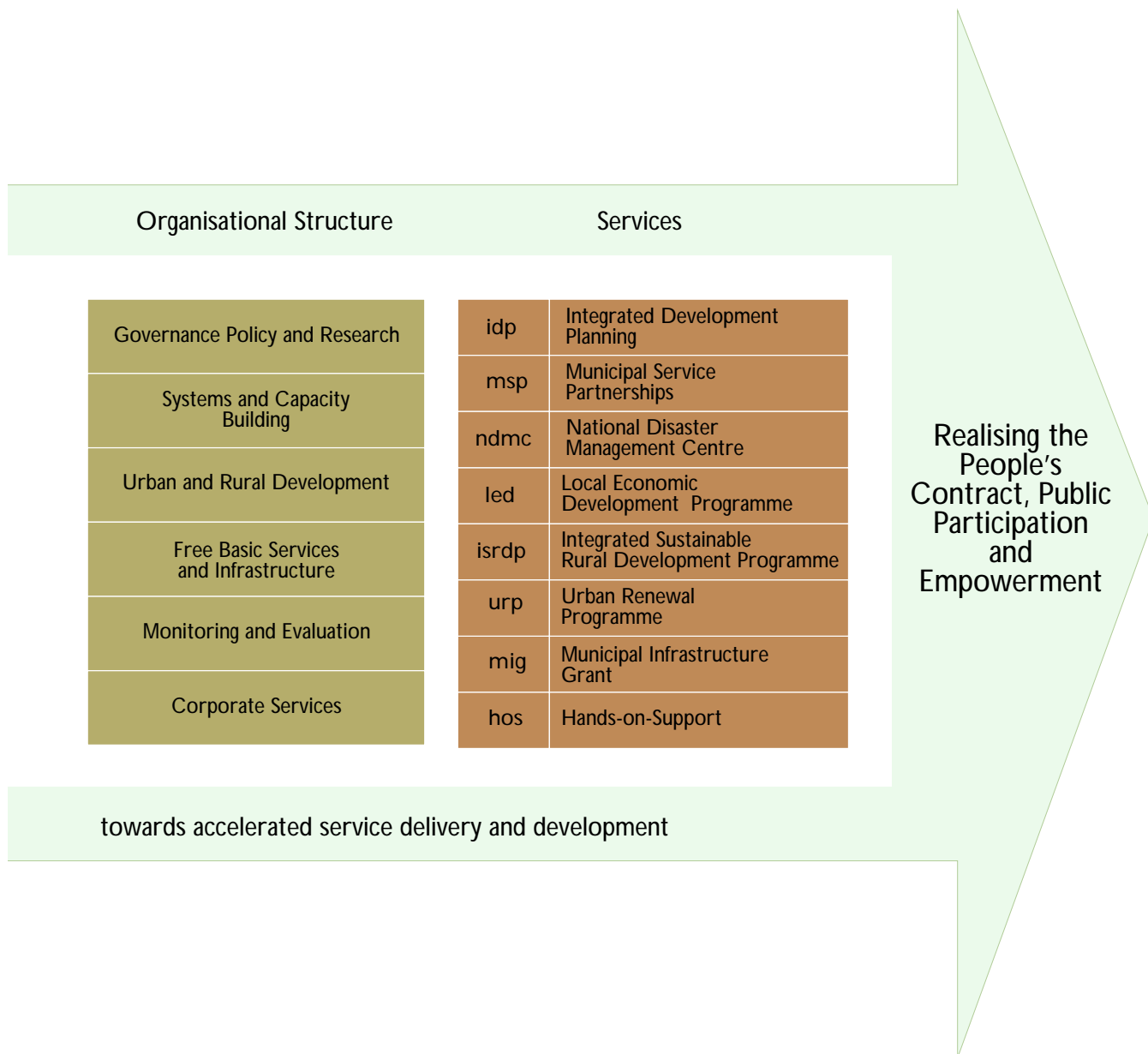
This Annual Report provides greater detail on these important initiatives. We are confident that, with the support of all of our stakeholders, we will stay on course and focus on being a reliable institution in facilitating service delivery and development in South Africa.

Ms Lindiwe Msengana-Ndlela
Director-General

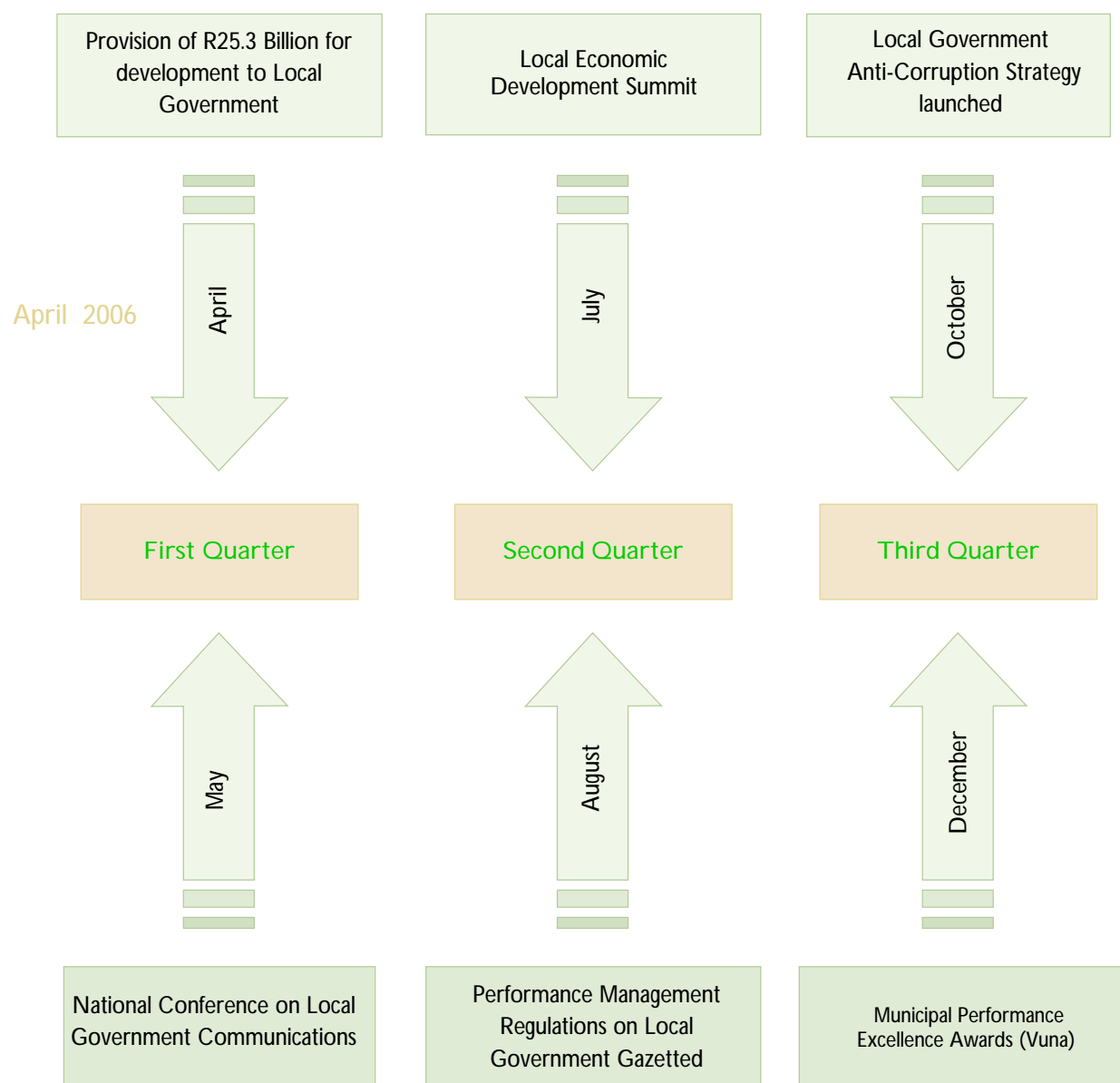
The dplg value chain

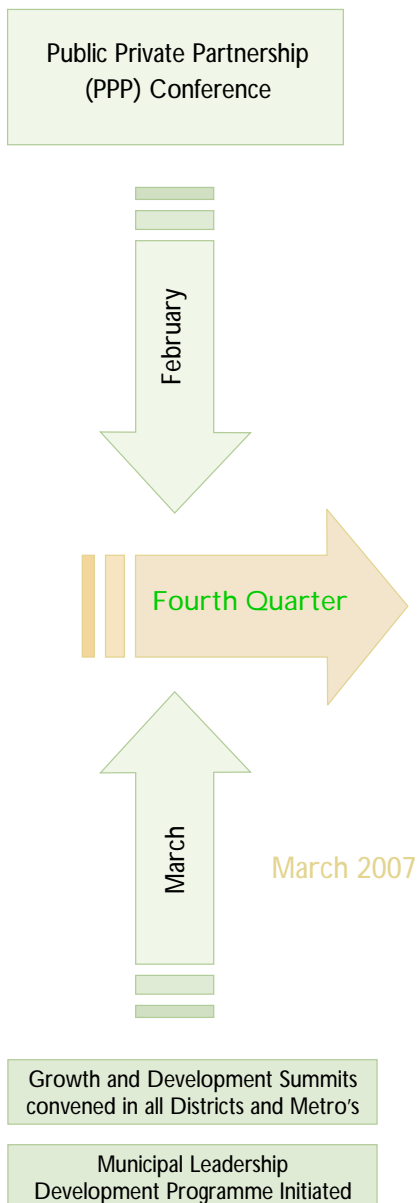


The achievements of this financial year would not have been possible without the dedication and contributions by staff members of the dplg. We are moving confidently and focussed forward in the set strategic direction upholding dplg values and Batho Pele principles.



Snapshot of the year





This snapshot notes the major achievements of this year taking a medium to long-term view of Government's Programme of Action (GPoA) and challenges.

Chapter 1

The first chapter of the report provides contextual background information on the Ministry, the vision, mission and values, the legislative mandate of the dplg as well as the organisational structure.



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) 2006 document and against pre-determined objectives and medium term output targets as outlined in the 2006-2009 Medium Term Performance 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 2006/07, 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 of 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 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 Right of Cultural, Religious and Linguistic Communities
- Commission on Claims and Disputes Relating to Traditional Leadership
- South African Cities Network (SACN)
- National House of Traditional Leaders (NHTL)

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

Ministerial visits abroad

During the period under review, the Minister undertook official visits to the following countries:

Germany, United Kingdom, Democratic Republic of Congo, Kenya, Mozambique, the Russian Federation and the People's Republic of China.

The Deputy Minister did not undertake any visits abroad during the period under review.

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 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;

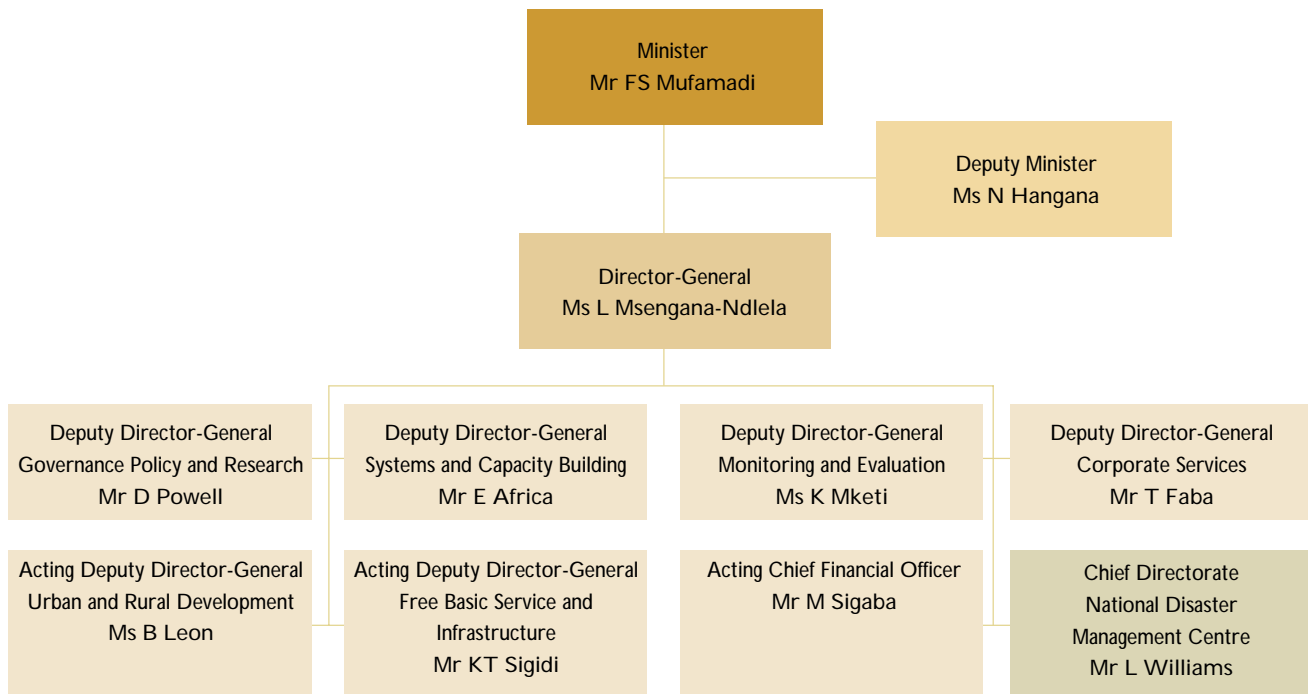
- Develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and
- Promote sustainable development by providing support to provincial and local government.
- The dplg's mandate is derived from Chapters 3 and 7 of the Constitution 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:

- The Intergovernmental Relations Framework Act, 2005 (Act No.13 of 2005);
- Municipal Property Rates Act, 2004 (Act No.6 of 2004); (Act No.13 of 2005);
- Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003);
- Traditional Leadership and Governance Framework Act, 2003 (Act No.41 of 2003);
- Disaster Management Act, 2002 (Act No.57 of 2002);
- Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000);
- Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998);
- Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);
- White Paper on Local Government (1998).

Introduction and general information

1.5 Organisational Structure





Our vision:

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

Chapter 2

The second chapter of the report provides the **dplg's** aim, strategic objectives and programmes as well as the milestones achieved during the year under review.

It also provides a summary of the purpose, measurable objective, service delivery objectives and indicators, programme developments as well as the performance information per programme in the tables.



Programme Performance

Programme 1: Administration (Corporate Services and Monitoring and Evaluation);	Page 32 - 47
Programme 2: Governance, Policy and Research;	Page 48 - 53
Programme 3: Urban and Rural Development;	Page 54 - 61
Programme 4: Systems and Capacity Building;	Page 62 - 71
Programme 5: Free Basic Services and Infrastructure;	Page 72 - 77
Programme 6: Provincial and Local Government Transfers;	Page 78 - 81
Programme 7: Fiscal Transfers.	Page 82 - 87

Programme performance

2.1 Summary

Voted funds	
Final appropriation by Vote 5	R 24 903 440 000
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 (Corporate Services and Monitoring and Evaluation);
- 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:

- A Joint Task Team has revised the National Spatial Development Perspective (NSDP) and completed the Plan for five municipal pilots. The NSDP was submitted to the January Cabinet Lekgotla.
- Facilitated and completed the third consecutive annual national IDP engagement process. A training programme on IDP's was introduced for practitioners in targeted municipalities.
- The introduction of a national programme of support for the National House of Traditional Leadership was



- tabled in Cabinet in November 2006. Six of the nine provinces promulgated provincial legislation on Traditional Leadership.
- A Draft Charter Protocol on local government in the South African Development Community (SADC) was completed and approved by the SADC Local Government Forum.
 - The January 2006 Cabinet Lekgotla approved the Local Economic Development (LED) draft framework that is aligned to the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA) to support the three spheres in the implementation of the LED initiatives.
 - The LED Framework was launched at a national conference on 14 and 15 August 2006.
 - Guidelines for metro and district Growth and Development Summits were introduced. LED experts were deployed to the Eastern Cape, KwaZulu-Natal and Limpopo through the European Union (EU) funded programme. LED experts were deployed in a total of 17 municipalities.
 - Fifty-two Growth and Development Summits (GDS's) were held by March 2007, which have resulted in increased confidence about future prospects. The **dplg** worked with the Presidency in submitting guidelines on these summits and supported district and metropolitan municipalities to run these summits effectively.
 - Impact assessments for four urban and two rural nodes were conducted in Alfred Nzo, Maluti-a-Phofung, Alexandra, Motherwell, Khayelitsha and Mitchells Plain to put more focus on economic development.
 - Research was conducted to confirm the Integrated Sustainable Rural Development Programme (ISRDP) nodal status of municipalities affected by the realignment of boundaries (Maruleng; Bushbuckridge; Umzimkhulu and Matatiele).
 - Economic profiles for each of the eight urban nodes were produced to highlight the need for public and private investment to stimulate economic growth in the nodes. Through a working relationship between the **dplg** and the Neighbourhood Partnership Development Grant (NPDG) of the National Treasury it is ensured that all nodes can benefit from the new grant.
 - For the financial year 2006/07 all funds for the Local Government Equitable Share (LGES) (R18bn) and the Municipal Systems Improvement Grant (MSIG) (R200m) were transferred to municipalities.
 - During the financial year Performance Management Regulations (PMR) were gazetted for implementation on the 1st of August 2006. Workshops were convened in all nine provinces and in selected districts to communicate the regulations and facilitate the implementation of the PMR through guidelines and manuals.
 - Councillor Remuneration Frameworks were gazetted for implementation on the 30th of June 2006 and the 1st of December 2006.
 - The first set of Municipal Property Rates Act (MPRA) Regulations, addressing administrative issues, was gazetted and the support programme for the MPRA has been developed and is being rolled out.
 - The National Disaster Management Centre (NMDC)

Programme performance

Project Consolidate laid the foundation for the adoption and implementation of the 5-Year Local Government Strategic Agenda.

effectively mobilised resources in respect of the Western Cape, Eastern Cape and the Northern Cape flooding, the tropical cyclone and flooding in Mozambique, and provided support to 5 000 flood victims in Burundi.

- A Local Government Anti-Corruption Strategy was launched on the 23rd of October 2006.
- Twelve (12) Presidential Municipal Izimbizo were undertaken in 2006 covering seventy (70) municipalities.
- As at end March 2007 the expenditure on the Municipal Infrastructure Grant (MIG) was 82% and it is projected to be 97% by the end of the municipal financial year (30 June 2007).
- A total of 217 (91% of Metro and Local Municipalities) have functional indigent registers.
- The current spending on free basic services by municipalities has resulted in improved access. The main challenge is to roll out additional and better infrastructure to enable greater access to free basic services:
 - According to the Department of Water Affairs and Forestry (DWAF) 73% of indigent/ poor households with infrastructure had access to free basic water as at 31 March 2007.
 - Based on Eskom and municipal reporting, 60% of indigent/poor households with infrastructure had access to free basic electricity as at 31 March 2007.
- Guidelines on Municipal Services Partnerships (MSP) were launched, distributed and training conducted.
- A Women in Local Government Conference was held in September 2006.
- Project Consolidate laid the foundation for the adoption and implementation of the 5-Year Local Government Strategic Agenda.
- Hands-on financial management support was provided to 75 municipalities on their annual financial statements as part of Project Consolidate.
- By the end of 2006, a total of two hundred and eighty one (281) experts were deployed to provide hands-on support to eighty five (85) Project Consolidate municipalities, which have resulted in very positive progress in key areas for the targeted municipalities.



Programmes 01 - 07

Programme I Administration (Corporate Services)

The profile and brand of the **dplg** was enhanced by the programme through strategic use of multimedia marketing tools to profile its various programmes, campaigns and events such as the Vuna awards and the 16 Days of Activism.



Deputy Director-General: Mr T Faba

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 period under review, the **dplg** through the development of the Information and Communication Technology (ICT) Disaster Recovery and Business Continuity Plan has been placed in a disaster prepared position. The implementation of the plan ensures rapid recovery and continuous operation of critical business

processes of the department in the event of an imminent disaster.

In order to constantly improving travel management for the organisation, the Programme developed a cost-containment strategy for services rendered, which has yielded cost savings of 15% on travel for this financial year.

The profile and brand of the **dplg** was enhanced by the programme through strategic use of multimedia marketing tools to profile its various programmes, campaigns and projects. In constantly disseminating information on the progress of departmental programmes and outputs, the Project Consolidate Knowledge Series was packaged and disseminated in various forums including mainstream media. Key progress achieved in the implementation of the Local Government Communication System within the local sphere has facilitated the improvement in coordination of key government communication programmes. Communication support to the Presidential Izimbizo Programme yielded improved stakeholder



interaction and ensured broad publicity of outputs on service delivery.

Key in the progress towards the implementation of the Integrated Human Resources Development Strategy was the roll out of the Internship Programme that led to the recruitment of 24 interns. The intensive training conducted during the programme resulted in the recruitment of some of the interns into the **dplg** as well as other government institutions.

The programme provided key support facilitated through administration and human resource interventions, which enabled the execution of key programmes impacting on all three spheres of government and the broader South African community.

2.2.4 Programme Developments:

This Programme is divided into five sub-Programmes:

1. INTERNAL COMMUNICATION

This sub-programme has continued to effectively manage and increase the profile of the **dplg** brand through intensive visibility of the organisation during key campaigns. Strategic use of multimedia marketing tools to profile the brand through conferences and events included the Vuna awards, the 16 Days of Activism, and other departmental programme launches and promotions. The implementation of the Local Government Communication System has gained momentum as more communication functionaries

are being appointed within municipalities and more District Communication Fora have also been set up in order to support Intergovernmental Relations (IGR) communication imperatives. The system's guidelines are in an advanced state of adoption having been presented to several key IGR fora and will be formally launched in the latter half of 2007.

2. MARKETING AND EXTERNAL COMMUNICATIONS

In improving interaction between government and the communities it serves, successful Ministerial Izimbizo and political champion visits to the developmental nodes were facilitated by the sub-programme. Information on service delivery and development initiatives and successes was disseminated widely on key programmes of the **dplg** including ISRDP and URP through print and electronic media to key target audiences.

The sub-programme also contributed to the National Government's Communications Forum and various government communication clusters, especially Governance and Administration.

3. INFORMATION TECHNOLOGY AND MANAGEMENT

This unit effectively supports and coordinates the meeting of the Department's Information Management Systems and Technology needs, and ensures and supports the seamless exchange of information across the three spheres of government. The unit further ensures that value is realised

Programme I

Administration (Corporate Services) continued

“This unit has provided an adequate, safe, secure and healthy office environment; and also ensured an effective and efficient administrative support function that contributed towards the achievement of the **dplg**’s overall strategic objectives.”

through responsible Information and Communication Technology (ICT) investment and that the **dplg** effectively leverages on ICT in achieving its objectives.

The achievements of the unit in the 2006/7 financial year include the establishment of an ICT Steering Committee as an advisory channel to the Accounting Officer and the Executive Committee (ExCo) of the **dplg**. The ICT Steering Committee (ICTSC) constitutes the senior governance and policy-making body for information and communications technology (ICT) within the **dplg**. During this year the unit also managed to establish a Virtual Private Network, which is used by the Department to communicate confidentially over a public network. The unit was further able to develop the ICT Disaster Recovery and Business Continuity Plan, which is a process that defines the critical business processes and measures to be taken in the event of a disaster.

4. HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT

The sub-programme continued to focus on integrated Human Resource Management and Development services. The improvement of the vacancy rate in the Department through the filling of vacant posts and the implementation of the Performance Management and Development System received special attention. The Department initiated a comprehensive change management process which included the conducting of a climate survey in order to identify possible change management interventions. Human Resources Development was successful in

implementing the Integrated Human Resources Development Strategy and requisite policy and procedural framework. Key amongst these was the implementation of the Internship Programme Framework.

Although the Department filled 125 posts successfully, of which 22 were internal promotions, 91 posts became vacant due to terminations of service. The vacancy rate has however been reduced to 18.9% compared to 22.7% in the previous year. Out of the total turnover rate of 22.8%, resignations constitute 15.2% and the remaining 7.6% is largely due to transfers to other departments, retirements and natural attrition.

5. ADMINISTRATIVE SUPPORT SERVICES

This unit has provided an adequate, safe, secure and healthy office environment; and also ensured an effective and efficient administrative support function that contributed towards the achievement of the **dplg**’s overall strategic objectives.

Achievements of note include the improvement of the physical environment through the acquisition of additional office space and relocation of some employees to the 508 Proes Street building. Further accomplishments include the development, revision and implementation of internal administration policies and the development of a cost-containment strategy for Travel Management, which yielded a cost saving of 15% on travel. The unit has further improved on the delivery and support of external service providers through the effective implementation of Service Level Agreements.



2.2.5 Service delivery achievements:

The progress for the programme Administration against selected medium-term output targets are provided below:

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
Communications	Developmental programmes communicated to media, public and key stakeholders	Number of stakeholders having access to information	Packaged and communicated key success stories with regard to the dplg programmes	Achieved Packaged and communicated key success stories with regard to Project Consolidate (PC) through publication of the Project Consolidate knowledge series booklets; advertising feature of PC milestones printed and the Project Consolidate corporate video made
		Information communicated to media, public, relevant stakeholders and staff		Support provided to PC and Presidential Izimbizo
		Information communicated to media, public, relevant stakeholders and staff	Application of Local Government Communication Strategy (LGCS) by relevant stakeholders	Achieved LGCS guidelines lobbied with key Intergovernmental Relations (IGR) structures and approved by the President's Coordinating Council. LGCS process implementation underway
	Communicate the success of dplg programmes and make information available to relevant stakeholders	Public outreach initiatives in the nodes supported	Profile corporate brand of dplg and programmes through marketing initiatives	Achieved Brand visibility of dplg increased through corporate event branding, exhibitions (e.g. Rand Show) and also through print, outdoor, TV and radio advertising of dplg programmes, events and projects

Programme I

Administration (Corporate Services) continued

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
	Developmental programmes communicated to media, public and key stakeholders	Communication elements delivered against communication strategy	Implement and review the dplg communication strategy	Achieved The dplg 2006/07 communication strategy implemented and reviewed. The dplg brand profile heightened through 16 day publicity in print and electronic media. Heightened publicity of MIG, FBS, URP, ISRDP, and Vuna Municipal Excellence Awards through print and electronic media, above and below the line advertising and promotions
Human Resources Management and Development	Develop and implement an integrated recruitment and competency and profiling/evaluation process and protocol for the dplg	Organisational structure aligned to strategic plan and budget to promote efficiency	2006/07 organisational structure aligned to the strategy, competencies and functional classification	Achieved 2006/07 organisational structure aligned to the strategy, competencies and functional classification
	Develop and implement an integrated Human Resources Development (HRD) Strategy and requisite policy and procedural manual	Number of output-based job profiles developed	Develop output based job profiles for senior managers (100%)	Achieved Output based job profiles for senior managers developed
		An integrated HRD Strategy and requisite policy and procedural framework developed and implemented	Develop and implement an integrated HRD Strategy, requisite policy and procedural framework	Achieved Internship programme for 2006/07 successfully implemented. Integrated HRD strategy and requisite policies and procedures in place
			Managers and staff participating in training and development programmes(60%)	Achieved Managers and staff participated in identified training and development programmes



Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
	Improved dplg service delivery in line with Batho Pele principles – Culture intervention developed and implemented	% Improvement in the Batho Pele satisfaction index	Service delivery improvement plan developed	Partially Achieved Service delivery improvement plans for five branches have been finalised
		Change management strategy implemented	Change management strategy developed and implemented	Partially Achieved Focus groups identified to facilitate Change Management Interventions
	The dplg 's status as an employer of choice strengthened through the enhancement of the employee wellness programme	% Improvement in Employee wellness	Employee wellness programme developed and implemented	Achieved Employee wellness programme developed and implemented
Information Technology and Management	Facilitate suitable connectivity infrastructure for municipalities to access and utilise systems	% Utilisation of the Local Government Network (LGNet), % Increase in system utilisation, access and performance	100% Municipalities connected to LGNet	Partially Achieved 87% of Municipalities connected to LGNet
	Facilitate suitable connectivity infrastructure for municipalities to access and utilise systems	% Utilisation of the LGNet, % Increase in system utilisation, access and performance	Facilitate the establishment of ICT Local Government Fora in provinces	Achieved Establishment of LG ICT Forums in 8 provinces; Servicing and support of GITOC, LGSC and LG ICT Fora
	Credible dplg Management Information system developed, improved and implemented	% Accuracy of information provided to dplg stakeholders through applications	Evaluate Data-warehousing, Business Intelligence, ETL Tools and Portal Technology	Achieved Data Warehouse Technologies, Business Intelligence, ETL Tools and Portal Technology have been evaluated. The Tool for Data Warehousing has been completed and a Portal has been deployed

Programme I

Administration (Corporate Services) (continued)

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
		Provide stakeholders and the public with access to information on key dplg and nodal programmes – Web-based and Print Media	Key stakeholders and public are actively informed by a dependable information system	Achieved Number of stakeholders provided with access to information through a Website updated on a daily basis with current information relating to various programmes and activities
Administration	Contribute to the development and creation of a safe, conducive and productive work environment	Adequate office space	The dplg accommodated adequately	Achieved 100% of affected staff members relocated to 508 Proes Street building
		Internal policies developed and implemented	Compliance to policies	Achieved The workshop on policies has been conducted (for all administrative support policies).
	Provisioning and maintenance of adequate, safe, secure and healthy office environment	Adequate office space	To provide accommodation to meet the dplg needs	Achieved 100% of targeted personnel accommodated
		Compliance with relevant legislation	Compilation and approval of relevant policies	Achieved Administrative Support policies services compiled, reviewed, approved and implemented
	Provisioning and maintenance of adequate, safe, secure and healthy office environment	Efficient and effective facilities	To review existing and enter into new Service Level Agreements (SLA's) with service providers	Achieved Service Level Agreements in place with all service providers



Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
		Compliance with the Minimum Information Security Service (MISS) and the dplg Security Policy and Procedures	Implement MISS and the dplg Security Policies and Procedures Campaign to encourage compliance with Records Management (RM) provisions	Achieved Workshops and awareness campaign conducted Records Management Guidelines implemented and currently operational
Finance and Supply Chain Management	Annual Financial Statement preparation Project Plan	Compliance with National Treasury(NT) Regulations	Project plan to be in line with NT Guidelines for 2006/07 by 31 March 2007	Achieved Agreed with Auditor-General
	ENE CHAPTER For Vote - 5	On time submission of Budget to NT	Budget submitted to National Treasury by 31 January 2007	Achieved ENE Document published and ready for the Minister's budget speech in May 2007
	Expenditure Management	Compliance with National Treasury regulations	Expenditure is within budget Enforce the Division of Revenue Act (DORA)	Achieved Expenditure in line with budget. Funding for un-authorised expenditure for prior years
	Asset Management	Updated asset register as required	Having an updated asset register that meets minimum requirements as set out by NT	Achieved Establishment of asset control committee, Disposal of redundant and damaged assets

Programme I Administration (Monitoring and Evaluation)

Streamlining of the Monitoring, Reporting and Evaluation processes was achieved through the establishment of M&E forums and the development of a core set of indicators to track performance. Enhanced reporting on the five-year Local Government Strategic Agenda from national sector departments and Provinces was coordinated by the **dplg**.



Deputy Director-General: Ms T Mketi

2.3.1 Purpose:

To monitor performance, evaluate service delivery and deepen corporate governance values and practices.

2.3.2 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.

2.3.3 Service delivery objectives and indicators:

During the 2006/07 financial year, the Programme successfully managed to achieve the strategic goals with regard to improving internal systems of control by institutionalising planning processes in the department, developing the Project Management Framework and introducing improved ways of monitoring and reporting, in particular addressing

performance monitoring and reporting on the 5-year Local Government Strategic Agenda (LGSA).

The streamlining of the Monitoring, Reporting and Evaluation processes were achieved through the national Monitoring and Evaluation workshop held in August 2006, the assessment of M&E capacity in the Provincial departments of Local Government, the establishment of Provincial M&E forums and units in offices of Premiers and departments of Local Government, and the development of a core set of indicators to track performance. The Branch further coordinated reporting on the five-year Local Government Strategic Agenda from national sector departments and Provinces.

The Branch further provided due diligence services in support of corporate governance and this contributed to steering the department towards improved administration. It provided sound legal advice with regard to the Cross Boundary Municipality court processes.

Furthermore, the Internal Audit and Risk Management plans



were developed and approved by the Audit Committee, and the capacity of Internal Audit was enhanced by the appointment of a Senior Manager: IT Audit.

Other major achievements were with regard to the improvements on the already functional intergovernmental fora by participating and coordinating the cluster work effectively and efficiently.

2.3.4 Programme Developments

This Programme is divided into five sub-Programmes:

1. CORPORATE PLANNING AND PROJECT MANAGEMENT

The sub-programme Corporate Planning and Project Management's (CPPM) main focus was to develop and institutionalise the strategic management process. A major component of this process was the development of the 2007-2012 Strategic Plan, the successful coordination of the Quarterly progress review process through Quarterly Review Meetings and the publication of the **dplg** 2005/06 Annual Report. The unit also developed a Project Management Framework to institutionalise project management in the Department.

2. PERFORMANCE MONITORING AND EVALUATION

The sub-programme Performance Monitoring and Evaluation's (PM&E) main focus was to institutionalise the Monitoring and Evaluation within Provinces and

Municipalities. Significant progress has been made in respect of making Monitoring, Reporting and Evaluation systems, tools and structures available in all provinces to enable monitoring of the implementation of the 5-year Local Government Strategic Agenda in some Provinces.

3. INTERNAL AUDIT AND RISK MANAGEMENT

The sub-programme Internal Audit and Risk Management appraised the internal controls of the Department with the objective of assisting management and staff in the effective discharge of their responsibilities, i.e. it helped the department to achieve its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes, and ensuring that risk management processes are embedded in the day to day activities of the Department.

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 contract management system.

5. CORPORATE SECRETARIAT

The Corporate Secretariat focused on the provisioning of secretariat services to corporate governance and

Programme I Administration (Monitoring and Evaluation) (continued)

“Great strides have been made in respect of institutionalising compliance and due diligence principles within the **dplg**, for example, the implementation of the contract management system.”

intergovernmental forums. The sub-programme facilitated and co-ordinated the intergovernmental forums President's Coordinating Council (PCC) and Local Government MinMec (Meeting between the Minister for Provincial and Local Government and members of provincial Executive

Councils), their agenda setting structures (Technical PCC & Technical MinMec) and the monthly corporate governance forums (ExCo). The unit also provided Cluster Liaison services to the **dplg** and the Governance and Administration (G&A) Cluster meetings for the year under review.

2.3.5 Service delivery achievements:

The progress for the programme Administration (Monitoring and Evaluation) against selected medium-term output targets are provided below:

Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
Corporate Planning and Project Management	Strategic Plan formulated and Business Planning coordinated	Timeous submission of Strategic Plan	2007-2012 Strategic Plan developed and tabled on time	Achieved 2007-2012 Strategic Plan developed, published and submitted to Parliament
		Tabling of updated Strategic and Business Plans on time – accuracy of data	FY 2007/08 Business Plans developed and operational	Partially Achieved FY 2007/08 Business Plans developed and operational
	Updated Strategic Plan and Business Planning coordinated	Tabling of updated Strategic and Business Plans on time – accuracy of data	Well co-ordinated Quarterly Review Meetings (QRM's) and tracking of Branch Business Plans	Achieved All Quarterly Review Meetings efficiently coordinated
	Strategic Planning System (SPS) updated quarterly to support the submission of reports to National Treasury	% SPS data information updated Quarterly	100% Accurate and accessible performance data captured for all quarters of 2006/07	Achieved 100% Accurate and accessible performance data captured for all quarters of 2006/07



Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
	Application of Project Management methodologies in the management of dplg Programmes and Sub-programmes institutionalised	Status in the development and implementation of Best Practice guidelines for the application of Project Management methodologies within the dplg Programmes and Sub-programmes	Develop and implement Best Practice guidelines for the application of Project Management methodologies within the dplg Programmes and Sub-programmes	Achieved Best Practice guidelines for the application of Project Management methodologies within the dplg Programmes and Sub-programmes developed and in the process of being implemented
Performance Monitoring and Evaluation	System to monitor implementation of the 5-yr LG Strategic Agenda	M&E and Reporting systems and structures available in all provinces by target date	M&E and Reporting systems and structures available in all provinces	Achieved All provinces have established M&E forums
		Support provinces to build M&E capacity	Reporting tool developed and implemented	Achieved Planning and Reporting tools developed and implemented by all provinces, sector departments and SALGA
	Develop an integrated dplg Monitoring, Evaluation and Reporting framework	dplg Integrated Monitoring, Evaluation and Reporting framework aligned to the GWM&E system	dplg Integrated M&E and Reporting strategy	Partially achieved Draft Monitoring, Reporting and Evaluation framework developed
	Integration of all dplg M&E systems	Business Process Mapping conducted	Proposal on integration of M&E systems in dplg	Achieved Proposal on integration of MRE system developed
Corporate Secretariat	The dplg Executive Agenda is soundly managed through the Corporate Secretariat function	Effective tracking of the dplg Executive Agenda and capturing of executive resolutions	Effectively track the dplg Executive Agenda and capturing of executive resolutions	Achieved The dplg Executive Agenda effectively tracked and executive resolutions captured
	Web-based system and Electronic document management system (EDMS) implemented, improved and utilisation of system	% Utilisation of EDMS and Corporate Secretariat Web-based application	Report on utilisation of EDMS and Web-based application generated	Not achieved

Programme I Administration (Monitoring and Evaluation) (continued)

Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
	Effective and efficient secretariat systems in place to facilitate both IGR and Corporate Governance Forums	No of IGR and Corporate Governance Forums facilitated effectively	Proven facilitation of effective secretariat services to IGR and Corporate Governance Forums	Achieved All secretariat services to IGR and Corporate Governance Forums effectively facilitated
	Implement Cluster Liaison Strategy	Feedback and response measures implemented and relevant and accurate information available on request	Sustain and institutionalise Cabinet Lekgotla & Government Programme of Action (GPoA) processes and Cluster Liaison services as per strategy for 2006/07	Achieved Cabinet Lekgotla & GPoA processes and Cluster Liaison services sustained and institutionalised
Compliance and Legal Services	Annual Reports on Municipal Performance Management submitted to all provincial legislatures	Roll out of reminder system to provincial governments regarding performance reports	Roll out of reminder system to provincial governments regarding performance reports	Achieved Trial run implemented. Reminder system handed over to the Systems and Capacity Building Branch for further use
	Improved mechanisms developed to allow for rapid response to threats against service delivery and changed reporting requirements	Contract management system developed and implemented	Development and implementation of a contract management system	Partially Achieved Commenced implementation of contract management system. Full implementation delayed due to the move to new offices
	Individual performance levels enhanced through regular feedback sessions followed by the appropriate training and correctional interventions	Implementation of dplg compliance and planning schedule by aligning individual performance agreements to the dplg strategic plan	Reviewing relevant business plans to ensure that compliance items are reflected in these business plans, and reporting to Exco on proposed corrective measures	Partially achieved Inputs were made to strategic planning processes on legal compliance and compliance items



Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
	Individual performance levels enhanced through regular feedback sessions followed by the appropriate training and correctional interventions	Submitting an annual legislation programme to Parliament and the Office of the Leader of Government Business	Submitting an annual legislation programme for 2007 to Parliament and the Office of the Leader of Government Business	Achieved Annual legislation programme for 2007 submitted on time to Parliament and the Office of the Leader of Government Business
Individual performance levels enhanced through regular feedback sessions followed by the appropriate training and correctional interventions	Administration of Promotion of Access to Information Act, No. 2 of 2000	Review, amendment and re-publication of the Manual in terms of the Access to Information Act	Manual reviewed and amended. However, re-publication was delayed as a result of new appointments of deputy information officers. The section 15 list of automatically available records reviewed and submitted to the Department of Justice and Constitutional Development for publication Submitted the prescribed 2006/2007 report to SAHRC in March 2007	Partially Achieved Individual performance levels enhanced through regular feedback sessions followed by the appropriate training and correctional interventions
Enhanced internal service through the introduction of internal service level agreements	(a) Development of a service level agreement for legal services. (b) Providing a service level agreement template for dplg	(a) Adoption of service level agreement for legal services (b) Development of a service level agreement template for dplg	A service level agreement for legal services was adopted. A service level agreement template was developed and discussed with administrative support functions	Achieved Enhanced internal service through the introduction of internal service level agreements

Programme I Administration (Monitoring and Evaluation) (continued)

Other major achievements were with regard to the improvements on the already functional intergovernmental fora by participating and coordinating the cluster work effectively and efficiently.

Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
Internal Audit and Risk Management	Improvement of systems of internal control through the execution of Internal Audit plan and implementation of risk management strategy	Internal Audit (IA) plan developed and implemented	Audit performed per audit plan	Achieved 23 Audits completed with management comments 2007/08 IA plan developed and approved by the Audit Committee (AC)
		Number of status reports submitted	4 status reports submitted to AC	Achieved 4 status reports presented and discussed at AC
		Number of risk management progress reports submitted	3 Risk management reports submitted to Top Management Team (TMT)	Achieved 4 risk management progress reports presented to the AC Risk assessment conducted and report presented to Executive Committee (Exco) and the AC



2.3.6 Programme I: Sub-programmes budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Minister	887	885	2
Deputy Minister	688	687	1
Management	9,376	9,376	-
Corporate Services	76,315	76,748	-433
Monitoring and Evaluation	18,282	18,282	-
Government Motor Transport	731	731	-
Property Management	20,567	20,567	-
Special Functions: Authorised Losses	267	267	-
Total	127,113	127,543	(430)

Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Current payments			
Compensation of employees	47,980	47,977	3
Goods and services	74,162	74,595	(433)
Financial transactions in assets and liabilities	267	267	-
Transfers & subsidies			
Provinces & municipalities	41	41	-
Public corporations & private enterprises	278	278	-
Non-profit institutions	70	70	-
Households	691	691	-
Payments for capital assets			
Machinery & equipment	3,437	3,437	-
Software & other intangible assets	187	187	-
Total	127,113	127,543	(430)

Programme 2

Governance, Policy and Research

The Local Economic Development (LED) framework that is aligned to the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA) was approved by the January 2006 Cabinet Lekgotla and launched at a national conference in August 2006.



Deputy Director-General: Mr D Powell

2.4.1 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.

2.4.2 Measurable Objectives

Measurable objectives aim to promote 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.

2.4.3 Service Delivery Objectives and Indicators

The outputs for the financial year show continuity with previous financial years and build on the results achieved over the last three years. The majority of outputs for the year under review was achieved or registered substantial progress against the set targets and budget expenditure remains very good for the second financial year in a row. The following are some of the registered achievements: The launch of the LED Framework, the development of toolkits on intergovernmental relations, and the introduction of a national programme of support for the Institution of Traditional Leadership directly support the implementation of Government policy objectives and legislation. The third year of a national IDP engagement process and technical support programme for targeted municipalities continues to register positive results with respect to the adoption rates of municipal IDP's and budgets by municipalities and the quality of both the intergovernmental interaction on municipal planning and the quality of the plans themselves. The release of guidelines for



district and metro Growth and Development Summits supported the completion of 52 summits during the period. The completion of a mid term review of provincial and local government directly informed Cabinet's strategic decision to undertake a policy development and refinement process on the system of provincial and local government over the medium term. A system of performance reporting and accountability procedures for managing expenditure of donor funds is in operation. Continued support to the DRC-SA BNC supports Government's foreign policy goals and objectives.

2.4.4 Programme Developments:

This Programme is divided into five sub-programmes:

1. INTERGOVERNMENTAL RELATIONS (IGR)

This sub-programme continued to support the implementation of the Intergovernmental Relations Framework Act, which was promulgated in August 2005, by developing toolkits and practical guidelines on intergovernmental relations, and by providing technical advice on the application of the Act, including intergovernmental disputes. The sub-programme also supports the Presidential Imbizo programme by providing the detailed municipal profiles upon which the engagements with municipalities are based.

2. DEVELOPMENTAL PLANNING (DP)

The Development Planning programme maintained its focus on improving the quality of municipal IDP's, by facilitating the

third consecutive annual national IDP engagement process, through the introduction of a standard framework to assess the quality of the information in the IDP, providing technical support directly to targeted municipalities, and promoting better intergovernmental coordination with municipal IDP processes. A training program on IDP's based on SAQA approved standards was introduced for practitioners in targeted municipalities. The unit also provided sustained support to Policy Coordination and Advisory Services (PCAS) on the NSDP pilot programme.

3. LOCAL ECONOMIC DEVELOPMENT (LED)

The sub-programme focuses on supporting Government and municipalities to implement local government's responsibility for local economic development. The release of the LED Framework and toolkits, guidelines for metro and district Growth and Development Summits (GDS) and the deployment of technical experts to targeted municipalities all support this objective. Fifty-two Growth and Development Summits (GDS) were concluded by March 2006, and technical experts were deployed to 17 municipalities.

4. TRADITIONAL LEADERSHIP AND INSTITUTIONS

The implementation of the Traditional Leadership and Governance Framework Act (Act no. 41 of 2003) assisting government to strengthen its own capacity to support the Institution, and supporting associated institutions, such as the National House of Traditional Leadership to fulfill their mandate constitute the main focus of this sub-programme.

Programme 2

Governance, Policy and Research continued

Measurable objectives aim to promote effective and predictable intergovernmental relations between national government, provincial government and municipalities.

The introduction of a national programme of support, which was tabled in Cabinet in November 2006, and direct support to provincial departments, directly serve these objectives.

5. INTERNATIONAL AND DONOR RELATIONS (IDR)

An effective system of oversight, accountability and reporting on donor funds allocated to the Department was a primary objective for the sub-programme during the financial year. That system, based on standard operating procedures and routine budget reporting is operational.

The initiative to establish a local government capacity in SADC is at an advanced stage and support to the DRC-SA Bi-National Commission continued, in the form of training and capacity-building programmes, with some delays in light of the recent elections in that country.

A variety of other support programmes throughout the year were undertaken in conjunction with DFA in respect of many countries in the region.



2.4.5 Service delivery achievements:

The progress for the programme Governance, Policy and Research against selected medium-term output targets is provided below:

Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
Intergovernmental Relations	Intergovernmental Relations Framework Act (2005) implemented	Practitioners' manual introduced	June 2006	Achieved Practitioner's manual and 10 different toolkits developed to support the implementation of the Act
		Report on implementation of the act was submitted to Cabinet	December 2006	Report submitted to extended Cabinet (January 2007) as part of G&A cluster report
Development Planning	Adoption of Integrated Development Plans (IDP's) and budgets improved	IDP review covering the IDP's of all districts and metros	June 2006	Achieved National IDP reviews of Metro's and Districts completed
	Legislation to improve the regulation of planning	Draft bill introduced	August 2006	Limited progress Draft Bill was completed but output will now form part of the policy development and review process on provincial and local government
Local Economic Development	Local Economic Development (LED) framework implemented	Local Economic Development framework linked to national and provincial strategies	May 2006	Achieved The LED Framework was launched at a national conference on the 14 and 15 August 2006. Guidelines for metro and district Growth and Development Summits were introduced,

Programme 2

Governance, Policy and Research continued

Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
				and fifty-two GDS's were held during the period. LED experts were deployed to 17 municipalities
Traditional Leadership and Institutions	Traditional Leadership and Governance Framework Act (2003) implemented	Plan for establishing district houses, as required by the act, adopted by the Local Government MinMEC	June 2006	Achieved According to information provided to the Department 50% of Traditional Councils had been reconstituted. A national programme of support to the Institution of Traditional Leadership was submitted to Cabinet in November 2006
International and Donor Relations	Charter on local government in South African Development Community (SADC)	Protocol adopted by SADC Council	February 2007	Substantial progress Draft Protocol was submitted to the SADC Forum of Local Government Ministers, which agreed on a country consultation process
	Expenditure of donor funds improved	System to monitor expenditure of donor funds introduced	June 2006	Achieved Standard operating procedures for Official Development Assistance (ODA) were introduced and a system of regular performance reporting to senior management was introduced



2.4.6 Programme 2: Sub-programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management	1,257	1,257	0
Intergovernmental Relations	7,199	7,199	0
Development Planning	4,512	4,512	0
Local Economic Development	2,825	2,825	0
Traditional Leadership and Institutions	5,977	5,977	0
International and Donor Relations	15,854	15,854	0
Total	37,624	37,624	-

Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Current			
Compensation of employees	16,745	16,745	-
Goods and services	12,329	12,329	-
Transfers & subsidies			
Provinces & municipalities	11	11	-
Foreign governments & international organisations	2,983	2,983	-
Non-profit institutions	5,149	5,149	-
Households	1	1	-
Capital			
Machinery & equipment	144	144	-
Software & other intangible assets	262	262	-
Total	37,624	37,624	-

Programme 3

Urban and Rural Development

A nodal economic development support programme was put in place to strengthen the economies of the nodes. Fifty-two Growth and Development Summits (GDS's) were held by March 2007, which have resulted in increased confidence about future prospects.



Deputy Director-General (Acting): Ms B Leon

2.5.1 Purpose

The purpose of the ISRDP and URP programmes is to 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.

2.5.2 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 of protocols across all spheres of government.

2.5.3 Service delivery objectives and indicators

The programme URD provided support to improve coordination in planning and implementation to the benefit of the identified rural and urban nodes. In terms of monitoring

and evaluation, major achievements for the year were the conducting of impact assessments in 4 urban and 2 rural nodes. The impact assessments were conducted in Alfred Nzo, Maluti-a-Phofung, Alexandra, Motherwell, Khayelitsha and Mitchells Plain. The assessments highlighted that good results have been achieved to date in the areas of basic services delivery and intergovernmental cooperation. The assessments also highlighted that the impact in the nodes of economic development support projects and programmes have been less than optimal.

In the area of programme management support to the nodes, major achievements were the putting in place of a strengthened nodal economic development support programme, aimed at strengthening the economies of the nodes. The first deliverable of this support initiative was to improve the quality of economic-related information on the nodes to enable better public and private sector investment decisions. Towards this aim, detailed economic profiles were conducted for all urban and rural nodes, including the identification of key interventions for public sector



institutions and the identification of private sector investment opportunities.

2.5.4 Programme developments:

This Programme is divided into four sub-programmes:

1. URBAN RENEWAL PROGRAMME MANAGEMENT (URP)

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. The Implementation Framework and the Manual for Operational Managers (at municipal level) was published and distributed widely to provinces, local municipalities and research institutions. Technical support was provided to Mdantsane and Motherwell to ensure effective use of the donor funding that has been secured. LED expertise has been deployed to Galeshewe to strengthen the implementation of LED projects. Funding was secured for the setting up of a technical support facility in the national **dplg** office and the support facility has been operational from February 2007. This support will assist the national office to strengthen its M&E as well as its coordination functions. Experts will be placed in the Eastern Cape Province to assist with improving its support to the urban nodes. Economic profiles for each of the eight urban nodes were produced to highlight the public investment needed to stimulate economic growth in the nodes as well as highlighting

potential for investment by the private sector. The **dplg** has supported the eight urban nodes to ensure that they benefit from the new Neighbourhood Partnership Development Grant (NPDG) of the National Treasury.

2. URBAN RENEWAL: MONITORING AND EVALUATION (URPM&E)

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 in terms of reporting, evaluation of impact and documenting of lessons learnt to inform government policy and practice.

Comprehensive progress reports on the urban nodes were submitted to Cabinet in July 2006 and January 2007; the URP Lessons Learnt Study has been published and widely distributed; and two editions of the newsletter Urban News were published and distributed, one with a focus on the achievements to date in each of the urban nodes. Impact assessments were concluded for four urban nodes (Alexandra, Motherwell, Khayelitsha and Mitchell's Plain) and the findings are being used to put more focus on economic development, housing and crime in the next four years of the programme. Community road shows were held in Mdantsane and Motherwell to launch the new donor funding received, inductions workshops were held for councillors of the urban nodes and the Minister of Communications provided support for the launch of the Inanda Ntuzuma and Kwa Mashu (INK) ICT Hub.

Programme 3

Urban and Rural Development continued

“The purpose of the ISRDP and URP programmes is to manage, co-ordinate, monitor and measure effectiveness of various programmes.”

3. RURAL DEVELOPMENT PROGRAMME MANAGEMENT (RDP)

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. In this financial year the focus was on strengthening the economic dimensions of the ISRDP nodes. Through a partnership with the Business Trust, detailed economic profiles were concluded for all the ISRDP nodes. These profiles assist to strengthen the quality of economic information about the nodes to enable better targeting of public and private investment for economic growth. In the next financial year, the information from the profiles will be packaged for each sector department and for the private sector in order to highlight investment opportunities and critical interventions needed by each sector department and sphere of government to enable these investments. A knowledge sharing workshop was also held for all LED support agencies, which operate in the nodes, to ensure the sharing of best practices as well as to assess the types of challenges the agencies are experiencing. After the local government elections, Induction workshops were held for new councillors in Umzinyathi, Umkhanyakude, Zululand, Ehlanzeni, Mopani, Sisonke, Chris Hani and Umzimkhulu. To strengthen the political champions of the nodes, an orientation workshop was held for support officials in Ministries who are political champions. Technical support was provided to Mpumalanga, Limpopo, Eastern Cape and Free

State in order to strengthen their support to the nodes. Five nodes were supported during the District Growth and Development Summits.

4. RURAL DEVELOPMENT: MONITORING AND EVALUATION (RDPM&E)

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. An M&E forum has been established to enable more effective data collection and monitoring by national sector departments, provinces and locals, and a model for monitoring, evaluating and reporting on the programme has been developed. Comprehensive progress reports for all rural nodes were produced and submitted to the July 2006 and January 2007 Cabinet Lekgotlas. Impact assessments for two rural nodes (Alfred Nzo and Maluti A Phofung) were concluded as well as the study on Lessons Learnt and a midterm review of the programme has commenced, which is to be completed in 2007/08. Research was conducted to re-confirm ISRDP nodal status of municipalities affected by the realignment of boundaries (Maruleng, Bushbuckridge, Umzimkhulu, Matatiele).

A communications conference was hosted for nodal communicators, to promote the use of the development communication approach amongst the communicators from the three spheres of government. The ISRDP newsletter, Rural Focus, was produced twice in the year. Support was mobilised from the DoC for web site development in rural nodes and two ISRDP nodes were assisted to produce nodal communications plans.



2.4.5 Service delivery achievements:

The progress for the programme Governance, Policy and Research against selected medium-term output targets are provided below:

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
Urban Renewal Programme Management	Alignment and integration protocols implemented and maintained	Nodal IDPs reviewed	March 2007	<p>Achieved</p> <p>The GPR branch led the successful review process of all metro and district IDP's, with URP support in nodal cities</p> <p>In terms of improving alignment and integration, a number of activities were undertaken:</p> <p>Induction workshops were held for new councillors in 3 urban nodes</p> <p>The URP Implementation Framework completed and published and a Programme Management Toolkit for the URP nodes produced and published</p> <p>Support for economic development in the urban nodes secured from the Business Trust (BT) and detailed economic profiles developed for all 8 urban nodes</p> <p>One node (Galeshewe) was supported directly by deploying LED expertise to the node</p>

Programme 3

Urban and Rural Development continued

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
Urban Renewal Monitoring and Evaluation	Strategic management of information	Frequency of monitoring and evaluation	Quarterly	<p>Achieved</p> <p>Two editions of the Urban News Newsletter were produced and distributed and preliminary impact assessment studies completed for 4 urban nodes</p> <p>The URP Lessons Learnt study was published and distributed as well as URP Technical Support</p> <p>A facility was set up to strengthen IGR, M&E and knowledge sharing in the 3 spheres of government</p> <p>Support was provided for political champion visits to 4 urban nodes and detailed URP progress report submitted to the Cabinet Lekgotla of July 2006 and January 2007</p>
Integrated Sustainable Rural Development Programme Management	Alignment and integration protocols implemented and maintained	Nodal IDPs reviewed	March 2007	<p>Achieved</p> <p>The GPR branch led the successful review process of all metro and district IDP's, with URP support in ISRDP nodal districts</p> <p>In terms of improving alignment and integration, a number of activities were undertaken: An Orientation manual was produced. Induction workshops were held for new councillors in 9 rural nodes and technical support to rural nodes provided through the Independent Development Trust (IDT)</p>



Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
Integrated Sustainable Rural Development Programme Management	Alignment and integration protocols implemented and maintained	Nodal IDPs reviewed	March 2007	<p>Support was also provided to 3 national sector departments to implement the financing protocol at provincial level (DSD, DoHealth, SAPS) and 5 provinces on the financing protocol workshopped</p> <p>Detailed economic development profiles as well as an investment atlas for each node has been completed for all 13 rural nodes and a hands-on support facility for local enterprises has been set up in Maruleng and Buskbuckridge (MABEDI), focussing on support to local enterprises in the tourism and agricultural sector</p>
Integrated Sustainable Rural Development Monitoring and Evaluation	Strategic management of information	Frequency of monitoring and evaluation	Quarterly	<p>Achieved</p> <p>A model for monitoring evaluating and reporting on the ISRDP was developed</p> <p>In terms of M&E and communications outputs, research was conducted to re-confirm ISRDP nodal status on municipalities affected by border-realignment (Maruleng, Bushbuckridge, Umzimkhulu, Matatiele), a Communications conference was hosted for nodal communicators, the Rural Focus Newsletters was produced twice in the year.</p>

Programme 3

Urban and Rural Development continued

Sub-Programme	Outputs	Performance Measure/Indicators	Actual performance against targets	
			Target	Actual
Integrated Sustainable Rural Development Monitoring and Evaluation	Strategic management of information	Frequency of monitoring and evaluation	Quarterly	Support was mobilised from the DoC for web site development in rural nodes. The ISRDP website was launched Support was provided for political champion visits to nine (9) rural nodes

2.5.6 Programme 3: Sub-programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management	706	706	
Urban Renewal Programme Management	1,142	1,142	-
Urban Renewal Monitoring and Evaluation	1,996	1,996	-
Integrated Sustainable Rural Development Programme Management	1,975	1,975	-
Integrated Sustainable Rural Development Monitoring and Evaluation	2,141	2,141	-
Total	7,960	7,960	-



Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Current			
Compensation of employees	4,950	4,950	-
Goods and services	2,966	2,971	(5)
Transfers & subsidies			
Provinces & municipalities	3	3	-
Households	26	26	-
Capital			
Machinery & equipment	15	10	5
Total	7,960	7,960	-

Programme 4

Systems and Capacity Building

Through continued Project Consolidate initiatives many experts were deployed to provide hands-on-support to municipalities in key areas of institutional development, basic service delivery, local economic development, financial viability, good governance and community participation.



Deputy Director-General: Mr E Africa

2.6.1 Purpose

To provide capacity-building and hands-on support to local government. To provide a national disaster management centre. To promote intergovernmental fiscal relations. To regulate and monitor the local government institutional and administrative framework.

2.6.2 Measurable objectives

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

2.6.3 Service delivery objectives and indicators

During the 2006/7 financial year, five highlights contributed directly to the twin objectives of the programme, namely, the development of core systems relevant to local government; and the provision of capacity building and hands-on-support to municipalities:

An effective performance management system for staff in municipalities is a critical element of the various core administrative systems that all municipalities must have in place. In August 2006 a national set of Performance Management Regulations were gazetted for implementation by municipalities. Workshops were convened in all nine Provinces and selected Districts to communicate the Regulations. Implementation guidelines and manuals have been prepared. These regulations will assist in building relationships of accountability and performance enhancement in our municipalities.

Building systems for good and clean municipal governance is central to the objective of establishment developmental local government in South Africa. To this end, in October 2006 a nation-wide Local Government Anti-Corruption Strategy was launched. This strategy complements the Public Service Anti-Corruption Strategy and seeks to give effect to a number of principles, including creating a culture within municipalities, which is intolerant to unethical conduct, fraud and corruption; and strengthening



community participation in the fight against corruption in municipalities.

The promulgation of the Municipal Property Rates Act in 2004 was intended to broaden and strengthen the financial viability of municipalities and to address rates disparities that were inherited from the past. The incremental approach adopted to implementing this legislation saw the first set of Municipal Property Rates Act (MPRA) Regulations gazetted in October 2006, which addressed a wide set of administrative issues. A support programme for municipalities has been developed and is also being rolled out.

The convening of a successful Municipal Performance Excellence (Vuna) Awards in December 2006 was the pinnacle of the 2006 local government calendar year. These awards were inaugurated in 2003 and have proven to be a valuable initiative in incentivising, recognising and showcasing municipal best practice across all municipalities.

By the end of 2006 through the Project Consolidate initiative, a total of 281 experts were deployed to provide hands-on support to 85 Project Consolidate municipalities, which resulted in positive progress in key areas for the targeted municipalities. Project Consolidate has proven to be an effective approach for engaging with and providing direct hands-on support to municipalities in key areas of institutional development, basic service delivery, local economic development, financial viability and good governance and community participation.

2.6.4. Programme developments:

This Programme is divided into eight sub-programmes:

1. INTERGOVERNMENTAL FISCAL RELATIONS (IGFR)

All funds for the Local Government Equitable Share (LGES) (R18bn) and the Municipal Systems Improvement Grant (MSIG) (R200m) were transferred to municipalities. There is improved compliance with the Division of Revenue Act (DORA). The first set of Municipal Property Rates Act (MPRA) Regulations addressing administrative issues, were gazetted and the support programme for the MPRA has been developed and is being rolled out.

Hands-on financial management support was provided to 75 municipalities on annual financial statements as part of Project Consolidate. Discussions with the National Treasury on the Development component of the LGES are underway.

2. LOCAL GOVERNMENT ADMINISTRATIVE SYSTEMS (LGAS)

Performance Management Regulations were gazetted for implementation on 1 August 2006. Workshops were convened in all nine Provinces and selected Districts to communicate the Regulations. Implementation guidelines and manuals have been prepared. Councillor Remuneration Frameworks were gazetted for implementation on the 30 June 2006 and 1 December 2006.

Programme 4

Systems and Capacity Building continued

“Building systems for good and clean municipal governance is central to the objective of establishment developmental local government in South Africa.”

The Local Government Laws Amendment Bill was submitted to Cabinet on 27 March 2007 and it was decided that further consultations should be undertaken before re-submission to Cabinet.

3. NATIONAL DISASTER MANAGEMENT CENTRE

Functional provincial disaster management structures have been established in all but one province. In accordance with legislative requirements the following governance structures have been established in the national sphere of government:

- Intergovernmental Committee on Disaster Management (ICDM) (Political Forum),
- National Disaster Management Advisory Forum (Technical Forum),
- Technical Advisory Committee (TAC) (mainly for disaster management risk assessment purposes).

Disaster Management regulations have been compiled and are in the process of being finalised. Phase I of the integrated disaster management information system has been implemented.

In developing a career path for disaster management students, unit standards for a Level 7 NQF qualification (Degree or Masters) have been developed and registered. Part of the capacity building initiative also included the provision of funding for disaster management Masters students in cooperation with the Departments of Water Affairs and Forestry, Science and Technology, and the University of the Free State.

The National Disaster Management Centre (NDMC) effectively mobilised resources in respect of the Western Cape, Eastern Cape and the Northern Cape flooding, the tropical cyclone and flooding in Mozambique as well as support to 5 000 flood victims in Burundi.

The Working on Fire programme and the South African Air Force have continued to support participating provinces in the fight against veld and forest fires.

4. PERFORMANCE MANAGEMENT AND MONITORING SYSTEMS (PMMS)

Successful Municipal Performance Excellence (Vuna) Awards were held in 2006 and a review is underway. An Audit of municipal Performance Management Systems was conducted and a Draft Implementation Strategy had been developed.

5. MUNICIPAL LEADERSHIP DEVELOPMENT PROGRAMME (MLDP)

The pilot MLDP was launched in March 2007. A total of four Skills Programmes of the MLDP are being piloted in 14 Districts, covering approximately 250 councillors and senior municipal officials. Competency Guidelines for Section 57 employees have been published as part of the performance regulations, for implementation.

6. LOCAL GOVERNMENT ANTI-CORRUPTION

A Local Government Anti-Corruption Strategy was launched on 23 October 2006. Two provincial launches took place by



the end of April 2007 and 30 municipalities have started with the implementation of the strategy.

7. LOCAL GOVERNMENT EQUITY AND DEVELOPMENT

A draft Local Government Gender Framework has been prepared. A Women in Local Government Conference was held on 27 / 28 September 2006 in the Eastern Cape. A successful "16 Days of Activism" Campaign was managed in 2006. A Concept paper for Youth Development for the National Youth Service (NYS) was also developed.

8. PROJECT CONSOLIDATE

A total of 281 experts were deployed to provide hands-on support to 85 Project Consolidate municipalities by the end of 2006, which resulted in positive progress in key areas for the targeted municipalities:

- The augmenting of technical, financial, planning, project management and other specialist skills have been beneficial in the short term.
- Service delivery has been accelerated through the unblocking of blocked projects.
- Support has been provided for the development of Local Economic Development strategies.
- Financial systems have been established, audit queries addressed and in a number of municipalities revenue income has been substantially improved.
- Key stakeholders are involved in supporting local government in a much better organised manner, such as DBSA, South African Association of Chartered Engineers,

Institute of Municipal Finance Officers and the Old Mutual Group.

Twelve (12) Presidential Municipal Izimbizo were undertaken in 2006 covering 70 municipalities. A draft revised National Capacity Building Framework (NCBF) has been prepared. At the same time, the Department worked with SALGA in rolling out a local government Peer Review process.

In addition, support has been provided to the Minister as Chairperson of the Host Cities Forum for the 2010 Soccer World Cup. A draft 2010 Implementation Plan (for the Department) has been prepared.

Programme 4

Systems and Capacity Building continued

2.6.5 Service delivery achievements:

The progress for the programme Systems and Capacity Building against selected medium-term output targets are provided below:

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
Intergovernmental Fiscal Relations	Management and administration of Local Government Equitable Share and Municipal Systems Improvement Grant	Frequency of disbursement and management of grants in line with the Division of Revenue Act	Quarterly	Achieved Management and administration of LGES & MSIG conducted in terms of the Division of Revenue Act. Proposals on activating the Development component submitted to NT
				Achieved 1st set of Municipal Property Rates Regulations addressing administrative issues Gazetted. Support Programme for the Municipal Property Rates developed and approved
Local Government Institutional and Administrative Systems	Regulation of local government administrative systems in line with the Municipal Systems Act (2000)	Publish first set of key regulations on administrative systems in local government	March 2007	Achieved Performance Management Regulations Gazetted for Implementation on 1 August 2006; Workshops convened in all 9 provinces and selected Districts to communicate the Regulations. Implementation guidelines and Manuals were developed
	Legislation and implementation of legislation for unified conditions of employment	Table legislation on unified conditions of employment in local government	March 2007	Achieved Inputs forwarded to the dpsa on the Single Public Service draft legislation



Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
				The dplg is participating in the process led by dpsa of drafting legislation on the Single Public Service
National Disaster Management Centre	Implementation of the Disaster Management (2002)	Functional disaster management structures established and regulations under the Disaster Management Act (2002) finalised	December 2006	<p>Achieved</p> <p>Stakeholder structures:</p> <ul style="list-style-type: none"> - Provincial Disaster Management Committee operationalised - Intergovernmental Committee on Disaster Management operationalised and National Disaster Management Advisory Forum established - Technical Advisory Committee established - Fire Brigade Board operationalised <p>Project Portfolio Office to monitor and track the progress on the DM Act implemented. Functional Provincial Disaster Management Centers have been established in all but one province with good progress being made at the District and Metropolitan Municipal level</p> <p>Not Achieved</p> <p>Priority guidelines in terms of the National Disaster Management Framework were developed</p>
	Disaster management plans submitted by the three spheres of government	Evaluation of disaster management plans	November 2006	<p>Partially Achieved</p> <p>Plans only submitted by National Nuclear Regulator, Free State Province and Eskom.</p>
Municipal Performance Monitoring and Support	Local government performance management	Local government performance management framework developed	December 2006	<p>Partially Achieved</p> <p>Performance Management Audit conducted and a draft Implementation Strategy developed. Once the Implementation Strategy is finalised, the framework will be developed</p>

Programme 4

Systems and Capacity Building continued

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
				Generally Recognised Accounting Practice (GRAP)/ Generally Accepted Municipal Accounting Practice (GAMAP) conversion tool implemented in 15 municipalities Financial Management support provided to 75 municipalities on annual financial statements
Municipal Leadership Development Programme	Establishment of a leadership development programme responsible for capacity building and leadership development programmes for councillors and senior local government officials	Leadership development programme for first cohort of councillors and senior local government officials launched	March 2007	Partially Achieved 4 Skills programme of the MLDP piloted in 14 Districts covering approximately 250 councillors and senior municipal officials
Anti-Corruption	Local government anti-corruption strategy and implementation plan	All municipalities developing and implementing anti-corruption strategies based on framework provided	March 2007	Partially Achieved Local Government Anti Corruption Strategy launched in October 2006. An Implementation Plan was developed and implementation has started in 30 municipalities with the development of policies and procedures
Local Government Equity and Development	Gender policy for local government	Gender policy framework developed	December 2006	Partially Achieved A draft LG Gender policy framework has been developed A Women in Local Government Conference was held in September 2006 Programme management support rendered to the Deputy Minister for the 16 Days of Activism Campaign



Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
	Co-ordinated developmental local governance responses to HIV and AIDS	Framework and implementation plan in place	March 2007	Partially Achieved A Local Government HIV and AIDS framework to be launched in April 2007
Project Consolidate	Progressive deployment of service delivery facilitators and appropriate resources from national and provincial government, state-owned enterprises and key stakeholders to effect progress in 5 key performance areas	Number of Municipalities receiving hands-on support	All 136 Municipalities by March 2007	Partially Achieved The deployment of hands-on support of 281 experts to 85 Project Consolidate municipalities between 2004 and 2006 resulted in positive progress in key areas for the targeted municipalities 12 Presidential Municipal Izimbizo were undertaken in 2006 covering 70 municipalities Project Consolidate laid the basis for the adoption and implementation of the 5 Year Local Government Strategic Agenda (2006 – 2011) which identified key responsibilities for national and provincial government
	Refinement of the policy, regulatory and fiscal environment of local government	Guidelines, regulations and appropriate amendments to legislation	March 2007	Partially Achieved Local Government Laws Amendment Bill drafted and approved for submission to Cabinet

Programme 4

Systems and Capacity Building continued

2.6.6 Programme 4: Sub-programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management	708	708	0
Intergovernmental Fiscal Relations	4,665	4,665	-
Local Government Institutional and Administrative Systems	4,951	4,951	-
Capacity Building Systems	-	-	-
Disaster Management	37,581	37,581	-
Municipal Performance Monitoring and Support	11,508	11,508	-
Municipal Leadership Development Programme	6,092	6,092	-
Anti-Corruption	2,836	2,836	-
Local Government Equity and Development	6,033	6,033	-
Project Consolidate	24,367	24,367	-
Total	98,741	98,741	-

Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Current			
Compensation of employees	25,946	25,946	-
Goods and services	64,756	64,756	-
Transfers & subsidies			
Provinces & municipalities	18	18	-
Dept agencies & accounts	-	-	-
Non-profit institutions	-	-	-
Households	11	11	-
Capital			
Machinery & equipment	580	580	-
Software & other intangible assets	7,430	7,430	-
Total	98,741	98,741	-



“A total of 281 experts were deployed to provide hands-on support to 85 Project Consolidate municipalities by the end of 2006, which resulted in positive progress in key areas for the targeted municipalities”

Programme 5

Free Basic Services and Infrastructure

The FBSI programme has accelerated service delivery to meet national targets.



Deputy Director-General (Acting): Mr M Sigidi

2.7.1 Purpose

The purpose of the programme is to address the infrastructure and service delivery needs of communities in a participatory and sustainable manner.

2.7.2 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.

2.7.3 Service Delivery Objectives and Indicators

Growth and Development Summits were held which have resulted in increased confidence about future prospects. The **dplg** worked with the Presidency in submitting guidelines on these summits and supported district and metropolitan municipalities to run these summits effectively. The summits have contributed to broadening the participation of

stakeholders in the IDP and LED process. Agreements and partnerships between the public and private sector has been promoted and taken forward through working relations between the partners involved. Many municipalities are institutionalising the practice of involving stakeholders in shaping local development. The **dplg** can now increase its support to strengthen institutional capacity in these areas.

The Programme has through its coordination function focused Government on the critical task of accelerating service delivery to meet national targets. Working with key line departments, provinces and municipalities the programme managed to improve infrastructure backlog eradication, access to basic and Free Basic Services, and the establishment and functioning of ward committees.

2.7.4 Programme developments:

This Programme is divided into four sub-programmes:



1. MUNICIPAL INFRASTRUCTURE

The focus of the sub-programme is to create an enabling environment for municipal infrastructure provision primarily through the implementation of the Municipal Infrastructure Grant (MIG). The management of the Grant including support and monitoring of municipal spending is well established. The overall quantum of spending by municipalities has increased since the establishment of the Grant in 2004. The expenditure at the end of March 2006 was 73% compared to the expenditure of 96,6 % at the end of the municipal financial year (30 June 2006). As at March 2007 the expenditure was 82% and it was 97% by the end of the municipal financial year (June 2007). The sub-programme has assisted municipalities to undertake better forward planning in the context of their Integrated Development Plans (IDPs). Municipal Infrastructure Policy and Asset Management guidelines were published in the financial year.

2. FREE BASIC SERVICES CO-ORDINATION

The focus of the sub-programme is to support municipalities to provide Free Basic Services in a financially sustainable manner. An important part of this is the roll-out of new infrastructure and acceleration of access to basic services. Indigent implementation guidelines were finalised and municipalities were assisted in developing their own indigent policies and registers to target households more effectively. Best practice case studies were published on the successful rollout of Free Basic Services by municipalities. Significant progress was made by

municipalities in providing free basic services. Further extension of these services is dependent on accelerated roll-out of new infrastructure.

3. MUNICIPAL SERVICE PARTNERSHIPS

The focus of the sub-programme is to promote the participation of the private sector, the public sector, non-governmental organisations and community-based organisations in service delivery. The Municipal Service Partnership Guide was launched and assistance was provided to municipalities to develop strategic partnerships through the District and Metro Growth and Development Summits. The sub-programme has structured itself to support municipalities with drafting contracts and service level agreements in respect of municipal service partnerships.

4. PUBLIC PARTICIPATION AND EMPOWERMENT

The focus of the sub-programme is to support effective interaction and communication between municipalities and communities. Following the March 2006 Local Government elections the establishment rate of new ward committees stood at 96% by the end of the financial year. The functionality of ward committees is supported through a training programme on guidelines produced, and by actively building the relations between communities and municipalities through Izimbizo, Community Radio, Community Development Workers amongst others. A draft policy guide for Public Participation in Local Government was also finalised.

Programme 5

Free Basic Services and Infrastructure continued

“The **dplg** worked with the Presidency in submitting guidelines on the Growth and Development Summits and supported district and metropolitan municipalities to run these summits effectively.”

2.7.5 Service delivery achievements:

The progress for the programme Free Basic Services and Infrastructure against selected medium-term output targets are provided below:

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
Municipal Infrastructure	Management of the implementation of the Municipal Infrastructure Grant	Percentage transfer of the indicative amount of R7, 5 billion to municipalities	100%	<p>Partially Achieved</p> <p>The allocation for the 2006/07 financial year was R6,756 billion. A total amount of R503 million was stopped due to under expenditure by municipalities. This brought the revised MIG allocation to R6, 253 billion. (This amount includes R490 million for Disaster Management.)</p> <p>As at the end of March 2007 (i) the total transferred to municipalities is R5, 938 billion which represents 88,1% of the total revised allocation; (ii) the total spent by municipalities is R5, 234 billion, which represents 83,7% of the total revised allocation (R71 million was spent on disaster management)</p>
Free Basic Services Co-ordination	Accelerated delivery of free basic services	Current baseline of current free basic services spending to indigent households established	Ongoing	<p>Achieved</p> <p>The current spending on free basic services by municipalities has resulted in improved access. The</p>



Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
				<p>main challenge is to rollout additional and better infrastructure to enable greater access to free basic services</p> <p>According to the Department of Water Affairs and Forestry 4, 012, 631 (or 73%) of indigent/ poor households with infrastructure had access to free basic water as at 31 March 2007</p> <p>Based on Eskom and municipal reporting, 3, 280, 575 (or 60%) of indigent/ poor households with infrastructure had access to free basic electricity as at 31 March 2007</p>
	Monitoring the provision of free basic services	Percentage of municipalities with functional indigent registers	80%	<p>Achieved</p> <p>A total of 217 (91% of Metro and Local Municipalities) have functional indigent registers. Further work will be done in the next financial year to align these registers with national poverty targeting measures</p>
Municipal Services Partnerships	Promote the public sector as a preferred service delivery option	Promotion strategy finalised	April 2006	<p>Achieved</p> <p>Guidelines on Municipal Services Partnerships (MSP) launched, distributed and training conducted</p>

Programme 5

Free Basic Services and Infrastructure continued

“Following the March 2006 Local Government elections the establishment rate of new ward committees stood at 96% by the end of the financial year.”

Sub-Programme	Outputs	Measure/Indicators	Actual performance against targets	
			Target	Actual
Public Participation and Empowerment	Community Development Worker (CDW) programme	Support unit for Community Development Worker programme established	March 2007	Not Achieved Funding for the establishment of the Support Unit has been committed by the European Union
	Development, implementation and monitoring of policy framework for public participation through ward committees	Policy framework implemented in all Project Consolidate municipalities	March 2007	Partially Achieved The Draft Policy Framework for public participation has been finalised. The principles and guidelines of the framework are applied to ward committee training and on-going municipal support on public participation



2.7.6 Programme 5: Sub-programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management	2,419	2,419	0
Municipal Infrastructure	25,138	25,138	-
Free Basic Services Co-ordination	3,378	3,378	-
Municipal Service Partnerships	3,667	3,667	-
Public Participation and Empowerment	2,018	2,018	-
Total	36,620	36,620	-

Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Current			
Compensation of employees	16,430	16,430	-
Goods and services	19,280	19,280	-
Transfers & subsidies			
Provinces & municipalities	13	13	-
Capital	-	-	-
Machinery & equipment	632	632	-
Software & other intangible assets	265	265	-
Total	36,620	36,620	-

Programme 6

Provincial and Local Government Transfers



Chief Financial Officer (Acting): Mr M Sigaba

2.8.1 Purpose

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

2.8.2 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.

2.8.3 Programme developments

This Programme is divided into the following sub-programmes:

2.8.3.1 PROVINCIAL TRANSFERS

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

2.8.3.2 LOCAL GOVERNMENT TRANSFERS

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

2.8.3.3 MUNICIPAL SYSTEMS IMPROVEMENT PROGRAMME

The grant is meant to assist municipalities in building an in-house capacity to perform their functions.

2.8.3.4 MUNICIPAL INFRASTRUCTURE GRANT

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



2.8.4 Service delivery achievements

The progress for the programme Provincial and Local Government Transfers are provided below:

Sub-Programme	Outputs	Indicators	Actual performance against targets	
			Target	Actual
Provincial Transfers	Disaster Relief	Compliance with requirements of DoRA	100% of funds transferred by March 2007 in accordance with payment schedule	100% of funds transferred by 31 March 2007
Local Government Transfers	Development of the distribution formula for the Local Government Equitable Share (LGES)	Development of the distribution formula for the Local Government Equitable Share (LGES)	Development of the distribution formula for the local government equitable share	100% of LGES funds transferred by 31 March 2007
	Manage Municipal Systems Improvement grant	Percentage compliance with the requirements of DoRA	100% of funds transferred by 31 March 2007 in accordance with payment schedule	100% of funds transferred by 31 March 2007
	Manage Municipal Infrastructure Grant	Percentage compliance with the requirements of DoRA	100% of funds transferred by 31 March 2007 in accordance with payment schedule	88% of funds transferred by 31 March 2007

Programme 6

Provincial and Local Government Transfers continue

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

2.8.5 Programme 6: Sub-programme budget and actual transfers

The transfers and variance versus the final appropriation is provided below:

Sub-Programme	Final Appropriation	Actual Transferred	Variance
	R'000	R'000	R'000
6.1 Equitable Share	18,057,940	18,057,940	
6.2 Municipal Systems Improvement Programme	200,000	200,000	
6.3 Municipal Infrastructure Grant/Disaster Relief	6,756,148	5,938,409	817,739
Total	25,014,088	24,196,349	817,739

Sub-Programme	Final Appropriation	Actual Transferred	Variance
	R'000	R'000	R'000
Provinces and municipalities	25,014,088	24,196,349	817,739
Total	25,014,088	24,196,349	817,739



“Funding is received in the form of membership fees paid by the member cities, and grants from the **dplg** and International donor organisations.”

Programme 7

Fiscal Transfers

2.9.1. Purpose

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

2.9.2 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.

2.9.3 Programme policy development/Sub-Programmes

2.9.3.1 SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (SALGA)

SALGA was created in 1996, and registered as an association not for gain. SALGA is mandated to present 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 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.

2.9.3.2 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.

2.9.3.4 SOUTH AFRICAN CITIES NETWORK (SACN)

The SACN was established in 2002 by the Minister of Provincial and Local Government in collaboration with the mayors of the largest cities and the South African Local Government Association (SALGA), as an independent Section 21 Company, with the mandate to:

- Promote good governance and management in South African cities;
- Analyse strategic challenges facing South African cities,



particularly in the context of global economic integration and national development challenges;

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

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 eThekweni (Durban),
- City of Johannesburg,
- Mangaung Municipality (Bloemfontein),
- Msundusi Municipality (Pietermaritzburg),
- Nelson Mandela Bay Municipality (Port Elizabeth),
- City of Tshwane (Pretoria).

The functions that SACN performed in this period under review were:

- Strategic guidance;
- Knowledge management;
- Monitoring and evaluation; and
- Strategic Support.

The SACN also promoted an inter-governmental approach to planning; and a strategic focus on mobilizing city partners.

The objective of any city development strategy should be to ensure an integrated approach to development and economic growth in SA cities.

Funding is received in the form of membership fees paid by the member cities, and grants from the **dplg** and International donor organisations.

2.9.3.5 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.

2.9.3.6 COMMISSION ON TRADITIONAL LEADERSHIP DISPUTES AND CLAIMS

The President of South Africa, 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

Programme 7

Fiscal Transfers continued

investigate and make findings on the traditional leadership disputes and claims.

2.9.3.7 NATIONAL HOUSE OF TRADITIONAL LEADERS

The National House of Traditional Leaders (NHTL) 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.



2.9.4 Service delivery achievements

The progress for the programme Fiscal Transfers against selected medium-term output targets is provided below:

Sub-Programme	Outputs	Indicators	Actual performance against targets	
			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 of provinces	100% attendance throughout the year	All meetings attended throughout the year
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 knowledge development and knowledge sharing activities	Number of Knowledge sharing and networking events	21 Knowledge sharing and networking events held
National House of Traditional Leaders (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	Four stakeholder meetings held
	Develop partnerships with stakeholders to advance service delivery and promote development.	Number of Key partnerships established	Two new partnerships	Achieved <ul style="list-style-type: none"> Partnership with SALGA concluded, MoU has been signed with UNISA to assist the NHTL to meet its legal mandate. A partnership with NPA and Justice is been implemented. Negotiation on MoU with SALGA was concluded and only signing remained

Programme 7

Fiscal Transfers continued

2.9.5 Programme 7: Sub-programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
South African Local Government Association	19,494	19,494	-
Municipal Demarcation Board	16,827	16,827	-
South African Cities Network	1,590	1,590	-
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	13,403	13,403	-
Commission on Traditional Leadership Disputes and Claims	9,293	9,986	(693)
National House of Traditional Leaders	9,535	9,535	-
Total	70,142	70,835	(693)

Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Current			
Compensation of employees	4,118	4,118	-
Goods and services	14,664	15,357	(693)
Transfers & subsidies			
Provinces & municipalities	7	7	-
Departmental agencies & accounts	49,724	49,724	-
Non-profit institutions	1,590	1,590	-
Households	5	5	-
Capital			
Machinery & equipment	34	34	-
Software & other intangible assets	-	-	-
Total	70,142	70,835	(693)



“The SACN was established in 2002 by the Minister of Provincial and Local Government in collaboration with the mayors of the largest cities and the South African Local Government Association (SALGA), as an independent Section 21 Company, with the mandate to promote good governance and management in South African cities.”

Chapter 3

Financial Performance

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Report of the Audit Committee

for the year ended 31 March 2007

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, six meetings were held of which two were special or extra-ordinary to discuss the financial statements.



Mr Andile Sangqu (Chairperson)

We are pleased to present our report for the financial year ended 31 March 2007.

this charter and has discharged all its responsibilities as contained therein.

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, six meetings were held of which two were special or extra-ordinary to discuss the financial statements.

Name of member	Number of meetings attended
Mr Andile Sangqu (Chairperson)	6
Ms Nadira Singh	6
Ms Gugu Moloi	2
Mr Paballo Makosholo	2
Mr Khulekani Buthelezi	2

The three members, whose contracts came to an end during the course of the year, attended meetings as follows:

- Ms N Galeni – 4
- Mr P Ngaki – 4
- Ms L Mthembu – resigned during May 2006

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 3.1.13. 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

3. THE EFFECTIVENESS OF INTERNAL CONTROL

The Department reviewed its risk profile at both strategic and operational levels, and the risks were actively managed, monitored and reported on by management on a regular basis. The improved risk management culture in the Department has resulted in development and ongoing implementation of identified management actions to mitigate priority risk areas. The risk register was used as a base to develop the Internal Audit Plan.

The Internal Audit reports 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 or ineffective especially with regard to project and contract management. Although recommendations were provided by internal audit and management had made commitment to implement corrective actions, an improvement is needed to implement corrective actions timely.

The Audit Committee has noted the issues raised in the external audit report. The Audit Committee has tasked management to prepare a comprehensive plan to indicate how the Department will address the issues raised in the report. Management has already embarked on the process of addressing these issues with immediate effect, these include inter alia:-

- Expediting the finalisation of the R20mil irregular expenditure which was incurred between 2000/01 and 2001/02 financial years;



Ms Nadira Singh



Ms Gugu Moloi



Mr Paballo Makosholo



Mr Khulekani Buthelezi

- Information systems and communication, and other reporting responsibilities, which deal with performance information;
- The governance structures in the Department are well established, which includes a risk management unit and internal audit unit. The internal audit plan is risk based. The internal audit unit has recently undergone an external Quality Assurance Peer Review undertaken by National Treasury in preparation for the QAR to be undertaken in terms of the International Standards for the Institute of Internal Auditors (IIA) later in the year. The outcome of the Quality Assurance Review (QAR) was extremely positive and the recommendations in this report have already been implemented by the Department;

The delays in receiving management comments on internal audit reports have been noted by the Audit Committee with management and the Internal Audit unit tasked to implement appropriate measures to minimise the delays in receiving such comments;

Management will report directly to the Audit Committee, with Internal Audit reporting independently on the progress by management in implementing the plan to enable the Audit Committee to evaluate the progress made.

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 issued by the Accounting Officer and the Department during the year under review.

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.

Signing for Chairperson of the Audit Committee
Pretoria

Date: 22 August 2007

Report of the Accounting Officer

for the year ended 31 March 2007

Report by the Accounting Officer to the Executive Authority and Parliament of the Republic of South Africa.

I. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

I.1 The total expenditure, excluding local and foreign aid assistance, amounted to R24, 575, 672, 675 representing 96, 77% of the total appropriation. The under expenditure of R817, 739, 000 was therefore 3, 2% of the total budget. This comprised mainly of transfers to municipalities in respect of Municipal Infrastructure Grant. The following table reflects the savings trend since 2001/02:

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
2006/07	24 575 672	3,22	817 739

I.2 The main estimates of National expenditure provided for the appropriation of an amount of R24, 903, 440, 000 and this was increased by R488, 848, 000 in the Adjustments Estimate to bring the total amount voted to R25, 392, 288, 000. This represented an increase of R9, 431, 861, 000 (59%) over the previous financial year. The main increases were in respect of the equitable share for the replacement of RSC Levies and conditional grants to local government.

I.3 The comparative revised budget allocations are as follows:

Allocations per programme	Previous year R'000	Current year R'000
Programme 1 – Administration	91 074	127 113
Programme 2 – Governance, Policy and Research	24 241	37 624
Programme 3 – Urban and Rural Development	8 353	7 960
Programme 4 – Systems and Capacity Building	83 939	98 741
Programme 5 – Free Basic Services and Infrastructure	38 227	36 620
Programme 6 – Provincial and Local Government Transfers	15 631 202	25 014 088
Programme 7 – Fiscal Transfers	83 391	70 142
Total	15 960 427	25 392 288
Allocation per economic classification		
Compensation of employees	101 243	116 169
Goods and services	146 676	188 157
Financial transactions in assets and liabilities	42	267
Transfers and subsidies	15 705 755	25 074 709
Payment for capital assets	6 711	12 986
Total	15 960 427	25 392 288

UNDER/ (OVER) SPENDING

The total under expenditure amounted to R817, 739, 000 which is 3, 2% of the amount voted. The main contributing factors to this under expenditure were the stopping of municipal infrastructure grant (MIG) transfers to certain municipalities and the late allocation to the department of an additional R489 million for disaster relief funds. The Gazette could only be published in December 2006.

A total of R513 million of the MIG transfers were stopped in terms of section 19 (stopping of allocation) of the Division of Revenue Act, 2006 due to persistent under spending by those municipalities and only R185 million of the R489 million allocated for disaster relief could be transferred. This is mainly due to the fact that municipalities only became officially aware of the funds during December 2006. In both cases, the department has requested that the amounts be rolled over to the 2007/08 financial year, namely - R513, 223,966 in respect of the normal annual MIG allocation and R304, 515,541 for reconstruction of infrastructure destroyed in disaster related incidents. The requests for rollovers were submitted to the National Treasury in line with the timeframes identified in Treasury Regulation 6.4.2.

VIREMENTS

The following virements were effected in terms of section 43 of the PFMA (Act no. 1 of 1999) as amended

PROGRAMME 5 TO PROGRAMME 7: R 1,250,000

The savings in Programme 5 have mainly been realised through vacancies, which were only filled during the course of the year and reduced consultancy fees for the macro audit on municipal infrastructure backlogs.

The main reasons for the excess spending in Programme 7 were the enhancement of relationships with other African countries and South African stakeholders by the National House of Traditional Leaders; and funding of the shortfall in the annual programme of hearings for the Commission on Traditional Leadership Disputes and Claims

PROGRAMME 4 TO PROGRAMME 1: R 7,325,000

The savings in Programme 4 have mainly been realised through vacancies, which were only filled during the course of the year; the non-renewal of a consultancy contract for the collection of data from municipalities; the delay in the launch of the Municipal Leadership Development pilot project and the postponement of the provincial workshops.

The excess spending in Programme 1 is mainly attributed to increased costs related to legal fees and foreign travel. In addition, the department became responsible for the rental and services of an additional building and the subsequent move had additional financial implications. Finally, the increased staff establishment had a substantial impact on the provisioning of general logistical requirements

PROGRAMME 4 TO PROGRAMME 2: R 885,000

The excess spending on Programme 2 is due to increased travel as well as assistance in respect of international relations, mainly through the establishment of a SADC desk for local government and assistance in the Democratic Republic of the Congo and to the United Cities and Local Government of Africa.

PROGRAMME 4 TO PROGRAMME 7: R 350,000

A further virement was made from Programme 4 to Programme 7 to augment the excess spending in Programme 7.

PROGRAMME 3 TO PROGRAMME 2: R 500,000

The saving on Programme 3, which was mainly due to vacancies, which were only filled during the course of the year, was used to fund the excess spending in Programme 2.

Report of the Accounting Officer continued...

for the year ended 31 March 2007

2. SERVICE RENDERED BY THE DEPARTMENT

2.1 TARIFF POLICY

The Department did 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 R340, 950 consisting mainly of stationery. The average price costing method as provided for by the LOGIS system was utilized.

3. CAPACITY CONSTRAINTS

The Internal Audit Unit continued to be assisted throughout the year in terms of the co-sourcing agreement.

4. UTILISATION OF DONOR FUNDS –

The donor funds were utilized in the following areas:

- Sectoral budget support
- Knowledge management support
- Local government support programme
- Consolidation of municipal transformation programme
- Support to the DRC project plan

5. TRADING ENTITIES AND PUBLIC ENTITIES

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

The South African Local Government Association (SALGA) is the only listed public entity which is fully operational. The Municipal Infrastructure Investment Unit is in the process of de-registration and thereafter will be de-listed.

6. ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

- South African Local Government Association (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.
- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities The Commission is a constitutional institution listed in terms of the PFMA.
- The Municipal Demarcation Board is a constitutional institution listed in terms of the PFMA.
- South African Cities Network The transfer is a contribution to the operational costs of this local government organisation.
- Municipalities Transfers made in terms of the Division of Revenue Act.

- Non-Profit Institutions:-
 - **South African Management Development Institute (SAMDI)**
Contribution towards the 10th Annual National Public Service Trainers Conference held in September 2006 in partnership with National Departments.
 - **Southern African Development Community (SADC)**
Funding the establishment of the SADC desk for local government.
 - **United Cities and Local Government of Africa (UCLGA)**
The UCLGA, which has its headquarters in South Africa, is a member of the United Cities and Local Governments (UCLG), which as the world body of municipalities is the largest international organisation representing local government. It works closely with UN Habitat, particularly on issues relating to the Millennium Development Goals. The payment was in respect of the membership fees.
 - **Commonwealth Local Government Forum (CLGF)**
CLGF works to promote and strengthen effective democratic local government throughout the Commonwealth and member countries and to facilitate the exchange of good practice in local government structures and services. The payment was in respect of annual membership fees.

The above institutions report on their financial results independently from the department and the entities and constitutional institutions are responsible for their Annual Reports which must be submitted to the executive Authority for tabling in parliament.

7. PUBLIC PRIVATE PARTNERSHIPS (PPP)

The Department has not entered into any such agreements.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Department regards good corporate governance as an effective mechanism for encouraging efficiency in the operations of the Department, prevention of corruption and combating fraud. It therefore continuously strives towards achieving compliance with the principles of good corporate governance.

8.1 RISK MANAGEMENT

The Department has committed itself to the process of enterprise wide risk management through the development and implementation of a risk management strategy supported by policy. The process of identifying, addressing and monitoring the risks faced by the Department is the responsibility of management, and is coordinated by the Internal Audit and Risk Management Unit.

The integrated risk management approach of the Department currently consists of the following levels:

Strategic Risk Management – The use of risk management to guide the Department in fulfilling its mission and achieving its strategic objectives.

Operational Risk Management – The use of risk management to prioritise and allocate resources in the achievement of the Department's business plans.

The objective of applying risk management in the Department is to ensure that the Department's objectives are effectively and efficiently achieved with scarce resources being conscientiously allocated to maximize outcomes.

Report of the Accounting Officer *continued...*

for the year ended 31 March 2007

8.2 INTERNAL AUDIT AND AUDIT COMMITTEE

The Internal Audit Unit and the Audit Committee continued to play an important role in the corporate governance mechanism of the Department.

The Internal Audit Plan was developed for 2006/7 in line with relevant priority risk areas of the Department. The plan was approved by the Audit Committee and implemented. The Unit conducted a number of internal audits, both the Assurance and IT during the year and provided comprehensive recommendations for improvement to the Department where appropriate. The Top Management Team (TMT) discussed all the audit reports to ensure implementation of management actions as stated in the reports in order to correct identified shortcomings. These reports were presented to the Audit Committee.

The Internal Audit Unit's operational capacity was improved through the establishment of the Information Systems Audit Directorate. A service provider was utilised to assist in the conducting of the audits.

The Unit will continue to monitor the effectiveness of the systems of internal control and risk management within the Department and will advise management appropriately on any findings.

The Department reviewed the composition of the Audit Committee in view of the expiry of the contracts of members and three new members were appointed. All the Audit Committee members are external. The Audit Committee is fully functional and met regularly during the year to provide an oversight role on the operations of the Department and the systems of corporate governance supporting the achievement of the Department's objectives.

8.3 PREVENTION OF FRAUD AND CORRUPTION

Management has endorsed the Department's Fraud Prevention Plan which is now ready for implementation. Corruption risks have been identified and are included in the Fraud Prevention Plan. The strategies for addressing the identified risks are being evaluated to ensure their adequacy and effectiveness.

All managers have to declare their financial interests annually and at every management or corporate meeting, all attendees must declare any interest in any subject matter on the Agenda.

8.4 OTHER

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 ceased in the 2005/06 financial year as the Unit is in the process of de-registration and will cease to be a public entity.

10. NEW/PROPOSED ACTIVITIES

The dplg launched Project Consolidate, a practical, hands-on programme of support to local government. This programme focuses on improved integration and coordination of provincial programmes, as well as the building of local government service delivery capacity through well-coordinated national and provincial interventions.

In 2006 the Deputy Minister, Ms NE Hangana, was appointed as the national convenor for the 16 Days of Activism for No Violence Against Women and Children campaign. This is an international campaign that takes place annually from the 25th November (International Day of No Violence against Women) to the 10th December (International Human Rights Day). Since 1999, the South African Government has run a parallel campaign that includes issues relating to violence against woman and children. This campaign focuses primarily on generating an increased awareness of the negative impact of violence on women and children as well as society as a whole.

In addition, all other activities flow from the 5 year strategic plan with the following strategic objectives:-

- 10.1 Promote a governance system that will enable service delivery in a developmental state
- 10.2 Strengthen Provincial governance and accountability
- 10.3 Consolidate local government's capability and impact to achieve sustainable development
- 10.4 Monitor performance, evaluate service delivery and communicate development
- 10.5 Strengthen **dplg** organisational capacity and capability

11. ASSET MANAGEMENT

During the regularity audit completed for the 2005/06 financial year various exceptions were raised in the final management letter with regards to asset management. The main concerns were the following:

- Valuation of assets above R5000
- Availability of substantive documentation
- Asset register not updated
- Asset register not verified to the ledger
- Reconciliation between BAS and LOGIS

An asset management reform plan was implemented to address the reported shortcomings and feedback on the progress with the reform was presented to management and the Audit Committee regularly from September 2006 up to May 2007. A dedicated Asset Management Unit was established and a complete asset stock take was done in August and December resulting in the asset register updated with the correct locations. All intangible assets were identified and a complete software register compiled and updated.

During the year under review an Asset Control Committee was formed to look at amongst other things the disposal of old, unserviceable, and damaged office furniture and equipment, and computer equipment.

It should however be noted that quite a number of dplg staff members had to be relocated to new office accommodation during February 2007 to April 2007 due to the expiry of a lease contract.

This process took longer than anticipated and has had a significant effect on the ability of the department to comply with all the timeframes in the asset management reform plan as the asset register had to be updated again with new locations.

Report of the Accounting Officer continued...

for the year ended 31 March 2007

During the process of implementing these reforms, a significant amount of office furniture and computer equipment was identified as damaged, redundant, obsolete, unserviceable and surplus stock. The first batch of these items identified were disposed during the financial year under review and a final batch will be disposed once the final verification is completed. As most of these computers are no longer in use they were not bar-coded and serial numbers are used to identify them.

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	Approved in the Finance Act, 2007 (Act No2 of 2007)
Saving on capital expenditure used for current expenditure (1993/94 Financial year)	Unauthorised expenditure: R159 875	Approved in the Finance Act, 2007 (Act No2 of 2007)

Approval

The Annual Financial Statements set out on pages 104 to 237 have been approved by the Accounting Officer.



Ms Lindiwe Msengana-Ndlela

Director-General

Pretoria

Date: 31 August 2007

Report of the Auditor-General

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE 5 – THE DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT FOR THE YEAR ENDED 31 MARCH 2007

REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the accompanying financial statements of the Department of Provincial and Local Government which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 104 to 215.

RESPONSIBILITY OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

RESPONSIBILITY OF THE AUDITOR-GENERAL

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007 and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management

Report of the Auditor-General continued...

for the year ended 31 March 2007

- overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

BASIS OF ACCOUNTING

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

OPINION

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Department of Provincial and Local Government as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the PFMA.

EMPHASIS OF MATTERS

Without qualifying my audit opinion, I draw attention to the following matters:

10. In terms of accounting policy 3.2, only assets with a cost in excess of R5 000 are classified as capital assets. The following assets with a cost less than R5 000 each have not been capitalised, which is in line with the said accounting policy:
- Computer equipment (462 items with a value of R1 075 772)
 - Computer software (34 items with a value of R100 247)

- Furniture and office equipment (10 325 items with a value of R10 675 290)
- Other machinery and equipment (1 186 items with a value of R1 444 368)

11. Attention is drawn to notes 25.1 and 25.2 to the financial statements. Irregular expenditure to the amount of R20 559 000 was incurred in the 2000-01 and 2001-02 financial years. Although the department has applied for ex post facto approval from the State Tender Board, the matter has not yet been finalised.

12. Attention is drawn to note 9 to the financial statements. Unauthorised expenditure to the amount of R1 122 553 has been incurred by the department.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

13. Matters of governance

13.1 Effectiveness of internal audit

The effectiveness of the internal audit function was undermined by the fact that management sometimes took too long to comment or respond to internal audit findings. As a result certain internal audit reports could not be finalised due to outstanding management comments.

14. Material corrections made to the financial statements submitted for audit

The financial statements submitted for audit on 31 May 2007 were significantly revised in respect of the following

misstatements identified during the audit:

- An amount of R4 546 000 representing items authorised for disposal, but still on the department's premises at year-end, was incorrectly recorded as a disposal in note 28 to the financial statements. The necessary corrections have been made to the financial statements.
- Assets under finance lease were previously understated by R3 946 000. The necessary corrections have been made to the financial statements.
- Accounts receivable previously included an amount of R2 403 553 which was classified under the suspense account relating to subsistence and travel. The necessary corrections have been made by clearing the suspense account against the relevant expenditure in the income statement.

15. Internal Control

15.1 Asset management

The department did not have appropriate policies and procedures in place to ensure proper management of assets. Proper control activities have not been developed for each of the department's activities with regard to assets. Furthermore the control activities identified as necessary were not always applied properly resulting in the following:

- There were errors on the asset register due to incorrect capturing.
- The asset register was not updated with the correct locations, barcodes and asset descriptions which made it difficult to verify the existence of assets.
- Assets were removed from the register before actual disposal.

Consequently due to this inadequate maintenance of the asset register, the department had to put in a considerable effort after year-end to update and correct its asset register. Corrections

to the asset register continued even after submission of the financial statements for auditing.

15.2 Information systems and communication

The audit of the user account management procedures surrounding the transversal systems identified the following material deficiencies amongst others in the department's information systems internal control environment, mainly due to the lack of formal documentation and approval of policies and procedures:

- User account management procedures for the Basic Accounting System (BAS), Personnel and Salary System (Persal) and the network were inadequate as certain critical aspects had not been documented.
- Access request forms for critical systems (BAS, Persal, Logistical Information System (Logis) and the network) were not properly completed.
- Checks were not periodically carried out to ensure that employees' current level of access to the BAS and Persal systems was commensurate with their job responsibilities. A formal process or procedure had not been established for the monitoring of access and logon violations on BAS, Persal, Logis and the network.
- The system controller for BAS was also the Persal salary controller, which resulted in inadequate segregation of duties. The activities of the BAS, Persal and Logis system controllers and the network administrators were not monitored or reviewed.
- The activities of the Persal and Logis users with GROUP SPECIAL access were not monitored by the department.
- A formal process had not been established to monitor users' logon information on BAS to identify inactive accounts.

Report of the Auditor-General continued...

for the year ended 31 March 2007

- A report that lists employees whose services had recently been terminated could not be made available.
- No formal directive had been issued to specify the functions on Persal that should be segregated.
- Users other than controllers had access on Persal to maintain user profiles.

16. Unaudited schedules

The expenditure per municipality as reflected in annexure 1B has not been audited.

17. Delay in finalisation of audit

Due to the national public sector strike action during June 2007 the Auditor-General had to delay the finalisation of the audits of affected departments. As a result, the Auditor-General's consistency review of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006-07 financial year.

OTHER REPORTING RESPONSIBILITIES

REPORTING ON PERFORMANCE INFORMATION

18. I have audited the performance information as set out on pages:
- Programme 1: Pages 35 to 39 and 42 to 46
 - Programme 2: Pages 51 to 52
 - Programme 3: Pages 57 to 60
 - Programme 4: Pages 66 to 69
 - Programme 5: Pages 74 to 76
 - Programme 6: Page 79
 - Programme 7: Page 85

RESPONSIBILITY OF THE ACCOUNTING OFFICER

19. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

RESPONSIBILITY OF THE AUDITOR-GENERAL

20. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 28 May 2007.

21. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate audit evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

22. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

AUDIT FINDINGS

Lack of reporting on all predetermined objectives in annual report

23. I draw attention to the fact that the department had not initially reported on all the pre-determined objectives as required by section 40(3)(a) of the PFMA.

The following indicators for the sub-programme Municipal performance monitoring and support as per the Estimates of National Expenditure (ENE) were not initially reported on in the performance information which had to be submitted by 15 June 2007 as prescribed by the Accountant General in his letter dated 31 May 2007:

- Frequency of performance reports per key performance area submitted
- Percentage of early warning signs and areas addressed

The above shortcomings were corrected in the revised performance information submitted on 3 August 2007.

Performance information not updated with information as at 31 March 2007

24. Performance information for the sub-programme Free basic services co-ordination under Programme 5: Free basic services and infrastructure initially reflected information only up to 31 December 2006, as the updated information as at 31 March 2007 was not available at the time of submission of the report. This was however corrected in the revised performance information submitted on 3 August 2007.

Lack of systems generating performance information

25. I was unable to obtain sufficient appropriate audit evidence in relation to the performance information of the department because the system relevant for generating information on the following targets was not adequate for purposes of the evaluation:

- Municipal performance monitoring and support: Percentage of early warning signs and areas addressed

- Project Consolidate: Number of municipalities receiving hands-on support
- Free basic services co-ordination: Percentage of municipalities with functional indigent registers
- Public participation and empowerment: Support unit for community development worker programme established

APPRECIATION

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

S Cele

S Cele for Auditor-General
Pretoria

17 August 2007



A U D I T O R - G E N E R A L

Statement of Accounting Policies and related matters

for the year ended 31 March 2007

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

1. PRESENTATION OF THE FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

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

1.2 PRESENTATION CURRENCY

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

1.3 ROUNDING

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

1.4 COMPARATIVE FIGURES

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

1.5 COMPARATIVE FIGURES – APPROPRIATION STATEMENT

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

2. REVENUE

2.1 APPROPRIATED FUNDS

Appropriated and adjusted 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. 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. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

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 & forfeits).

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

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 & FORFEITS

Fines, penalties & 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.

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.

Forex gains are recognised on payment of funds.

Statement of Accounting Policies and related matters continued...

for the year ended 31 March 2007

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 as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

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. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognized as payables in the statement of financial position.

2.4 CARA FUND ASSISTANCE

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognized as current or capital expenditure in the statement of financial performance. Any unspent CARA funds are transferred to Retained Funds as these funds do not need to be surrendered to the National Revenue Fund.

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).

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 (including 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 (to households) 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 for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will be also be reflected under goods and services.

3.3 INTEREST AND RENT ON LAND

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

3.4 FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES

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

Statement of Accounting Policies and related matters continued...

for the year ended 31 March 2007

Forex losses are recognised on payment of funds.

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

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 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.

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 when the cash is received.

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 note 27.

4.5 LOANS

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary. Loans balances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure note 27.

4.6 INVENTORY

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

4.7 CAPITAL ASSETS

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital assets may be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1. Projects (of construction/development) running over more than one financial year relating to assets, are only capitalized as assets on completion and the project and the total cost incurred over the duration of the project.

Disclosure notes 28 and 29 reflect the total movement in the asset register for the current financial year.

Statement of Accounting Policies and related matters continued...

for the year ended 31 March 2007

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 and disclosure notes 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.

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 Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 RECOVERABLE REVENUE

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

7. RELATED PARTY TRANSACTIONS

Related parties are departments that control or significantly influence entities 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.

9. PUBLIC PRIVATE PARTNERSHIP

A public private partnership (PPP) is a commercial transaction between the department and a private party in terms of which the private party:

- Performs an institutional function on behalf of the institution; and/or
- Acquires the use of state property for its own commercial purposes; and
- Assumes substantial financial, technical and operational risks in connection with the performance of the institutional function and /or use of state property; and
- Receives a benefit for performing the institutional function or from utilizing the state property, either by way of:
 - Consideration to be paid by the department which derives from a Revenue Fund;
 - Charges fees to be collected by the private party from users or customers of a service provided to them; or
 - A combination of such consideration and such charges or fees.

A description of the PPP arrangement, the contract fees and the current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

Appropriation Statement

for the year ended 31 March 2007

Appropriation per Programme				
		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
1.	Administration			
	Current payment	117 298	-	5 111
	Transfers and subsidies	458	-	622
	Payment for capital assets	2 032	-	1 592
2.	Governance, Policy and Research			
	Current payment	36 186	(7 112)	-
	Transfers and subsidies	9	6 750	1 385
	Payment for capital assets	44	362	-
3.	Urban and Rural Development			
	Current payment	8 442	(26)	(500)
	Transfers and subsidies	3	26	-
	Payment for capital assets	15	-	-
4.	Systems and Capacity Building			
	Current payment	102 326	(3 064)	(8 560)
	Transfers and subsidies	33	(4)	-
	Payment for capital assets	4 942	3 068	-
5.	Free Basic Services and Infrastructure			
	Current payment	37 278	(318)	(1 250)
	Transfers and subsidies	9	4	-
	Payment for capital assets	583	314	-
6.	Provincial and Local Government Transfers			
	Transfers and subsidies	25 014 088	-	-
7.	Fiscal Transfers			
	Current payment	17 224	-	1 558
	Transfers and subsidies	51 318	-	8
	Payment for capital assets	-	-	34
	Total	25 392 288	-	-
Reconciliation with Statement of Financial Performance				
Add: Prior year unauthorised expenditure approved with funding				
Departmental receipts				
CARA Fund Assistance				
Local and foreign aid assistance				
Actual amounts per Statement of Financial Performance (Total Revenue)				
Investments acquired and capitalised during the current financial year, but expensed for appropriation purposes				
Other payments in Appropriation Statement, not accounted for in the Statement of Financial Performance				
Add: Local and foreign aid assistance				
CARA Fund Assistance				
Prior year unauthorised expenditure approved				
Prior year fruitless and wasteful expenditure authorised				
Actual amounts per Statement of Financial Performance Expenditure				

Appropriation per Programme					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
122 409	122 839	(430)	100.9%	86 298	85 814
1 080	1 080	-	100.0%	323	318
3 624	3 624	-	100.0%	4 453	4 242
29 074	29 074	-	100.0%	24 114	24 036
8 144	8 144	-	100.0%	56	46
406	406	-	100.0%	71	71
7 916	7 921	(5)	100.1%	8 326	8 284
29	29	-	100.0%	18	15
15	10	5	66.7%	9	9
90 702	90 702	-	100.0%	76 182	75 677
29	29	-	100.0%	6 716	6 716
8 010	8 010	-	100.0%	1 041	986
35 710	35 710	-	100.0%	37 342	36 914
13	13	-	100.0%	57	46
897	897	-	100.0%	828	828
25 014 088	24 196 349	817 739	96.7%	15 631 202	15 631 191
18 782	19 475	(693)	100.0%	15 699	14 677
51 326	51 326	-	100.0%	67 383	67 383
34	34	-	100.0%	309	309
25 392 288	24 575 672	816 616	96.8%	15 960 427	15 957 562
-				-	
6 830				328	
-					
28 178				3 403	
25 427 296				15 964 158	
	-				-
	-				-
	35 362				35 886
	-				-
	-				-
	-				-
	24 611 034				15 993 448

Appropriation Statement continued...

for the year ended 31 March 2007

Appropriation per Economic classification			
	2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement
	R'000	R'000	R'000
Current payments			
Compensation of employees	1 18 294	(1 260)	(865)
Goods and services	200 460	(9 260)	(3 043)
Financial transactions in assets and liabilities	-	-	267
Transfers & subsidies			
Provinces & municipalities	25 014 200	(22)	3
Departmental agencies & accounts	49 724	-	-
Foreign governments & international organisations	-	2 983	-
Public corporations & private enterprises	-	13	265
Non-profit institutions	1 590	3 764	1 455
Households	404	38	292
Payment for capital assets			
Machinery & equipment	7 616	(4 213)	1 439
Biological or cultivated assets	-	-	-
Software & other intangible assets	-	7 957	187
Total	25 392 288	-	-

Appropriation per Economic classification					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
116 169	116 166	3	100.0%	101 243	99 367
188 157	189 288	(1 131)	100.6%	146 676	145 993
267	267	-	100.0%	42	42
25 014 181	24 196 442	817 739	96.7%	15 631 543	15 631 508
49 724	49 724	-	100.0%	67 814	67 814
2 983	2 983	-	100.0%	-	-
278	278	-	100.0%	182	177
6 809	6 809	-	100.0%	5 500	5 500
734	734	-	100.0%	716	716
4 842	4 837	5	99.9%	6 303	6 122
-	-	-	0.0%	-	-
8 144	8 144	-	100.0%	408	323
25 392 288	24 575 672	816 616	96.8%	15 960 427	15 957 562

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme I - Administration				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
1.1	Minister			
	Current payment	887	-	-
1.2	Deputy Minister			
	Current payment	688	-	-
1.3	Management			
	Current payment	8 193	-	742
	Transfers and subsidies	404	-	4
	Payment for capital assets	-	33	-
1.4	Corporate Services			
	Current payment	70 619	-	2 313
	Transfers and subsidies	47	-	618
	Payment for capital assets	1 242	-	1 476
1.5	Monitoring and Evaluation			
	Current payment	17 025	-	1 108
	Transfers and subsidies	7	-	-
	Payment for capital assets	16	10	116
1.6	Government Motor Transport			
	Payment for capital assets	774	(43)	-
1.7	Property Management			
	Current payment	19 886	-	681
1.8	Special Functions: Authorised Losses			
	Current payment	-	-	267
Total		119 788	0	7 325

Economic classification		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
Current payments				
	Compensation of employees	46 700	-	1 280
	Goods and services	70 598	-	3 564
	Financial transactions in assets and liabilities	-	-	267
Transfers & subsidies				
	Provinces & municipalities	54	(13)	-
	Public corporations & private enterprises	-	13	265
	Non-profit institutions	-	-	70
	Households	404	-	287
Payments for capital assets				
	Machinery & equipment	2 032	-	1 405
	Software & other intangible assets	-	-	187
Total		119 788	-	7 325

Detail per programme I - Administration					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
887	885	2	99.8%	843	837
688	687	1	99.9%	654	649
8 935	8 935	-	100.0%	6 046	6 042
408	408	-	100.0%	14	13
33	33	-	100.0%	21	21
72 932	73 365	(433)	101.5%	65 347	64 903
665	665	-	100.0%	281	281
2 718	2 718	-	100.0%	3 687	3 603
18 133	18 133	-	100.0%	13 366	13 341
7	7	-	100.0%	28	24
142	142	-	100.0%	11	11
731	731	-	100.0%	734	607
20 567	20 567	-	100.0%	-	-
267	267	-	100.0%	42	42
127 113	127 543	(430)	100.3%	91 074	90 374

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
47 980	47 977	3	100.0%	41 361	40 877
74 162	74 595	(433)	100.6%	44 895	44 895
267	267	-	100.0%	42	42
41	41	-	100.0%	125	125
278	278	-	100.0%	182	177
70	70	-	100.0%	-	-
691	691	-	100.0%	16	16
3 437	3 437	-	100.0%	4 214	4 088
187	187	-	100.0%	239	154
127 113	127 543	(430)	100.6%	91 074	90 374

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme 2 - Governance, Policy and Research				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
2.1	Management			
	Current payment	1 243	-18	-
	Transfers and subsidies	-	1	-
	Payment for capital assets	15	16	-
2.2	Intergovernmental Relations			
	Current payment	8 092	-1 050	-
	Transfers and subsidies	1	2	-
	Payment for capital assets	-	154	-
2.3	Development Planning			
	Current payment	4 702	-221	-
	Transfers and subsidies	2	1	-
	Payment for capital assets	0	28	-
2.4	Local Economic Development			
	Current payment	2 770	26	-
	Transfers and subsidies	1	-	-
	Payment for capital assets	29	-1	-
2.5	Traditional Leadership and Institutions			
	Current payment	6 479	-541	-
	Transfers and subsidies	2	-	-
	Payment for capital assets	-	37	-
2.6	International and Donor Relations			
	Current payment	12 900	-5 308	-
	Transfers and subsidies	3	6 746	1 385
	Payment for capital assets	-	128	-
	Total	36 239	0	1 385

Economic classification		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
Current				
	Compensation of employees	16 730	15	-
	Goods and services	19 456	(7 127)	-
	Transfers & subsidies			
	Provinces & municipalities	9	2	-
	Foreign governments & international organisations	-	2 983	-
	Non-profit institutions	-	3 764	1 385
	Households	-	1	-
	Capital			
	Machinery & equipment	44	100	-
	Software & other intangible assets	-	262	-
	Total	36 239	-	1 385

Detail per programme 2 - Governance, Policy and Research					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
1 225	1 225	-	100.0%	1 190	1 190
1	1	-	100.0%	3	3
31	31	-	100.0%	-	-
7 042	7 042	-	100.0%	6 167	6 151
3	3	-	100.0%	16	14
154	154	-	100.0%	20	20
4 481	4 481	-	100.0%	4 542	4 480
3	3	-	100.0%	8	7
28	28	-	100.0%	33	33
2 796	2 796	-	100.0%	2 002	2 002
1	1	-	100.0%	5	3
28	28	-	100.0%	-	-
5 938	5 938	-	100.0%	5 737	5 737
2	2	-	100.0%	13	12
37	37	-	100.0%	8	8
7 592	7 592	-	100.0%	4 476	4 476
8 134	8 134	-	100.0%	11	7
128	128	-	100.0%	10	10
37 624	37 624	-	100.0%	24 241	24 153

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
16 745	16 745	-	100.0%	15 184	15 106
12 329	12 329	-	100.0%	8 930	8 930
11	11	-	100.0%	56	46
2 983	2 983	-	100.0%	-	-
5 149	5 149	-	100.0%	-	-
1	1	-	100.0%	-	-
144	144	-	100.0%	71	71
262	262	-	100.0%	-	-
37 624	37 624	-	100.0%	24 241	24 153

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme 3 - Urban and Rural Development				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
3.1	Management			
	Current payment	1 023	(1)	(316)
	Transfers and subsidies	-	-	-
	Payment for capital assets	-	-	-
3.2	Urban Renewal Programme Management			
	Current payment	1 234	-	(93)
	Transfers and subsidies	-	1	-
	Payment for capital assets	-	-	-
3.3	Urban Renewal Monitoring and Evaluation			
	Current payment	1 863	122	-
	Transfers and subsidies	1	-	-
	Payment for capital assets	-	10	-
3.4	Integrated Sustainable Rural Development Programme Management			
	Current payment	2 397	(337)	(91)
	Transfers and subsidies	1	-	-
	Payment for capital assets	15	(10)	-
3.5	Integrated Sustainable Rural Development Monitoring and Evaluation			
	Current payment	1 925	190	-
	Transfers and subsidies	1	25	-
	Payment for capital assets	-	-	-
	Total	8 460	-	(500)

Economic classification		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
Current				
	Compensation of employees	5 308	-	(358)
	Goods and services	3 134	(26)	(142)
Transfers & subsidies				
	Provinces & municipalities	3	-	-
	Households	-	26	-
Capital				
	Machinery & equipment	15	-	-
	Total	8 460	-	(500)

Detail per programme 3 - Urban and Rural Development					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
706	706	-	100.0%	1 733	1 733
-	-	-	0.0%	5	3
-	-	-	0.0%	9	9
1 141	1 141	-	100.0%	1 180	1 160
1	1	-	100.0%	3	2
-	-	-	0.0%	-	-
1 985	1 985	-	100.0%	1 818	1 796
1	1	-	100.0%	3	3
10	10	-	100.0%	-	-
1 969	1 974	(5)	100.3%	1 636	1 636
1	1	-	100.0%	3	3
5	-	5	0.0%	-	-
2 115	2 115	-	100.0%	1 959	1 959
26	26	-	100.0%	4	4
-	-	-	0.0%	-	-
7 960	7 960	-	100.0%	8 353	8 308

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
4 950	4 950	-	100.0%	4 995	4 988
2 966	2 971	(5)	96.4%	3 331	3 296
3	3	-	100.0%	18	15
26	26	-	100.0%	-	-
15	10	5	66.7%	9	9
7 960	7 960	-	100.0%	8 353	8 308

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme 4 - Systems and Capacity Building				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
4.1	Management			
	Current payment	821	-	(148)
	Transfers and subsidies	-	-	-
	Payment for capital assets	14	21	-
4.2	Intergovernmental Fiscal Relations			
	Current payment	5 988	-	(1 326)
	Transfers and subsidies	3	-	-
	Payment for capital assets	-	-	-
4.3	Local Government Institutional and Administrative Systems			
	Current payment	8 206	(1 407)	(1 872)
	Transfers and subsidies	2	-	-
	Payment for capital assets	14	8	-
4.4	Capacity Building Systems			
	Current payment	-	-	-
	Transfers and subsidies	-	-	-
	Payment for capital assets	-	-	-
4.5	Disaster Management			
	Current payment	32 165	(2 067)	-
	Transfers and subsidies	3	10	-
	Payment for capital assets	4 888	2 582	-
4.6	Municipal Performance Monitoring and Support			
	Current payment	11 643	-	(137)
	Transfers and subsidies	-	2	-
	Payment for capital assets	-	-	-
4.7	Municipal Leadership Development Programme			
	Current payment	6 175	-	(94)
	Transfers and subsidies	4	(3)	-
	Payment for capital assets	-	10	-
4.8	Anti-Corruption			
	Current payment	2 424	411	-
	Transfers and subsidies	-	1	-
	Payment for capital assets	-	-	-
4.9	Local Government Equity and Development			
	Current payment	5 403	629	-
	Transfers and subsidies	1	(1)	-
	Payment for capital assets	26	(25)	-
4.10	Project Consolidate			
	Current payment	29 501	(630)	(4 983)
	Transfers and subsidies	20	(13)	-
	Payment for capital assets	-	472	-
	Total	107 301	-	(8 560)

Detail per programme 4 - Systems and Capacity Building					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
673	673	-	100.0%	1 855	1 855
-	-	-	0.0%	3	3
35	35	-	100.0%	20	14
4 662	4 662	-	100.0%	21 248	21 248
3	3	-	100.0%	25	25
-	-	-	0.0%	20	15
4 927	4 927	-	100.0%	4 188	4 178
2	2	-	100.0%	10	10
22	22	-	100.0%	32	32
-	-	-	0.0%	2 085	1 949
-	-	-	0.0%	4	4
-	-	-	0.0%	20	16
30 098	30 098	-	100.0%	34 372	34 360
13	13	-	100.0%	6 659	6 659
7 470	7 470	-	100.0%	879	865
11 506	11 506	-	100.0%	7 248	7 234
2	2	-	100.0%	6	6
-	-	-	0.0%	20	14
6 081	6 081	-	100.0%	1 952	1 952
1	1	-	100.0%	3	3
10	10	-	100.0%	30	30
2 835	2 835	-	100.0%	2 608	2 275
1	1	-	100.0%	5	5
-	-	-	0.0%	-	-
6 032	6 032	-	100.0%	626	626
-	-	-	0.0%	1	1
1	1	-	100.0%	20	-
23 888	23 888	-	100.0%	-	-
7	7	-	100.0%	-	-
472	472	-	100.0%	-	-
98 741	98 741	-	100.0%	83 939	83 379

Appropriation Statement continued...

for the year ended 31 March 2007

Economic classification	2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement
	R'000	R'000	R'000
Current			
Compensation of employees	27 129	-	(1 183)
Goods and services	75 197	(3 064)	(7 377)
Transfers & subsidies			
Provinces & municipalities	33	(15)	-
Dept agencies & accounts	-	-	-
Non-profit institutions	-	-	-
Households	-	11	-
Capital			
Machinery & equipment	4 942	(4 362)	-
"Software & other intangible assets"	-	7 430	-
Total	107 301	-	(8 560)

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
25 946	25 946	-	100.0%	21 306	21 306
64 756	64 756	-	100.0%	54 876	54 371
18	18	-	100.0%	66	66
-	-	-	0.0%	1 950	1 950
-	-	-	0.0%	4 000	4 000
11	11	-	100.0%	700	700
580	580	-	100.0%	999	944
7 430	7 430	-	100.0%	42	42
98 741	98 741	-	100.0%	83 939	83 379

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme 5 - Free Basic Services and Infrastructure				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
5.1	Management			
	Current payment	2 398	14	-
	Transfers and subsidies	1	-	-
	Payment for capital assets	6	-	-
5.2	Municipal Infrastructure			
	Current payment	25 599	(332)	(1 027)
	Transfers and subsidies	3	4	-
	Payment for capital assets	543	348	-
5.3	Free Basic Services Co-ordination			
	Current payment	3 402	-	(26)
	Transfers and subsidies	4	(2)	-
	Payment for capital assets	34	(34)	-
5.4	Municipal Service Partnerships			
	Current payment	3 710	-	(45)
	Transfers and subsidies	-	2	-
	Payment for capital assets	-	-	-
5.5	Public Participation and Empowerment			
	Current payment	2 169	-	(152)
	Transfers and subsidies	1	-	-
	Payment for capital assets	-	-	-
	Total	37 870	-	(1 250)

Economic classification		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
Current				
	Compensation of employees	17 034	-	(604)
	Goods and services	20 244	(318)	(646)
Transfers & subsidies				
	Provinces & municipalities	9	4	-
	Capital			
	Machinery & equipment	583	49	-
	"Software & other intangible assets"	-	265	-
	Total	37 870	-	(1 250)

Detail per programme 5 - Free Basic Services and Infrastructure					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
2 412	2 412	-	100.0%	3 233	3 233
1	1	-	100.0%	4	4
6	6	-	100.0%	42	42
24 240	24 240	-	100.0%	24 448	24 448
7	7	-	100.0%	31	25
891	891	-	100.0%	767	767
3 376	3 376	-	100.0%	4 148	4 148
2	2	-	100.0%	8	8
-	-	-	0.0%	-	-
3 665	3 665	-	100.0%	2 735	2 686
2	2	-	100.0%	9	6
-	-	-	0.0%	-	-
2 017	2 017	-	100.0%	2 778	2 399
1	1	-	100.0%	5	3
-	-	-	0.0%	19	19
36 620	36 620	-	100.0%	38 227	37 788

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
16 430	16 430	-	100.0%	15 352	15 067
19 280	19 280	-	100.0%	21 990	21 847
13	13	-	100.0%	57	46
632	632	-	100.0%	701	701
265	265	-	100.0%	127	127
36 620	36 620	-	100.0%	38 227	37 788

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme 6 - Provincial and Local Government Transfers				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
6.1	Disaster Relief			
	Current payment	-	-	-
	Transfers and subsidies	-	-	-
	Payment for capital assets	-	-	-
6.2	Equitable Share			
	Current payment	-	-	-
	Transfers and subsidies	18 057 940	-	-
	Payment for capital assets	-	-	-
6.3	Municipal Systems Improvement Programme			
	Current payment	-	-	-
	Transfers and subsidies	200 000	-	-
	Payment for capital assets	-	-	-
6.4	Municipal Infrastructure Grant			
	Current payment	-	-	-
	Transfers and subsidies	6 756 148	-	-
	Payment for capital assets	-	-	-
6.5	Disaster Relief			
	Current payment	-	-	-
	Transfers and subsidies	-	-	-
	Payment for capital assets	-	-	-
	Total	25 014 088	-	-

Economic classification	2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement
	R'000	R'000	R'000
Transfers & subsidies			
Provinces & municipalities	25 014 088	-	-
Total	25 014 088	-	-

Detail per programme 6 - Provincial and Local Government Transfers					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
-	-	-	0.0%	-	-
-	-	-	0.0%	40 700	40 689
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
18 057 940	18 057 940	-	100.0%	9 643 341	9 643 341
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
200 000	200 000	-	100.0%	200 000	200 000
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
6 756 148	5 938 409	817 739	87.9%	5 436 161	5 436 161
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
-	-	-	0.0%	311 000	311 000
-	-	-	0.0%	-	-
25 014 088	24 196 349	817 739	96.7%	15 631 202	15 631 191

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
25 014 088	24 196 349	817 739	96.7%	15 631 202	15 631 191
25 014 088	24 196 349	817 739	96.7%	15 631 202	15 631 191

Appropriation Statement continued...

for the year ended 31 March 2007

Detail per programme 7 - Fiscal Transfers				
Programme per subprogramme		2006/07		
		Adjusted Appropriation	Shifting of Funds	Virement
		R'000	R'000	R'000
7.1	South African Local Government Association			
	Current payment	-	-	-
	Transfers and subsidies	19 494	-	-
	Payment for capital assets	-	-	-
7.2	Municipal Demarcation Board			
	Current payment	-	-	-
	Transfers and subsidies	16 827	-	-
	Payment for capital assets	-	-	-
7.3	Municipal Infrastructure Investment Unit			
	Current payment	-	-	-
	Transfers and subsidies	-	-	-
	Payment for capital assets	-	-	-
7.4	South African Cities Network			
	Current payment	-	-	-
	Transfers and subsidies	1 590	-	-
	Payment for capital assets	-	-	-
7.5	Commission for the Promotion and Protection of the Rights of Cultural Religious and Linguistic Communities			
	Current payment	-	-	-
	Transfers and subsidies	13 403	-	-
	Payment for capital assets	-	-	-
7.6	Commission on Traditional Leadership Disputes and Claims			
	Current payment	8 469	-	806
	Transfers and subsidies	1	-	3
	Payment for capital assets	-	-	14
7.7	National House of Traditional Leaders			
	Current payment	8 755	-	752
	Transfers and subsidies	3	-	5
	Payment for capital assets	-	-	20
	Total	68 542	-	1 600

Detail per programme 7 - Fiscal Transfers					
2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
-	-	-	0.0%	-	-
19 494	19 494	-	100.0%	18 385	18 385
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
16 827	16 827	-	100.0%	24 959	24 959
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
-	-	-	0.0%	11 234	11 234
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
1 590	1 590	-	100.0%	1 500	1 500
-	-	-	0.0%	-	-
-	-	-	0.0%	-	-
13 403	13 403	-	100.0%	11 286	11 286
-	-	-	0.0%	-	-
9 275	9 968	(693)	107.5%	6 806	5 988
4	4	-	100.0%	12	12
14	14	-	100.0%	302	302
9 507	9 507	-	100.0%	8 893	8 689
8	8	-	100.0%	7	7
20	20	-	100.0%	7	7
70 142	70 835	(693)	100.1%	83 391	82 369

Appropriation Statement continued...

for the year ended 31 March 2007

Economic classification	2006/07		
	Adjusted Appropriation	Shifting of Funds	Virement
	R'000	R'000	R'000
Current			
Compensation of employees	5 393	(1 275)	-
Goods and services	11 831	1 275	1 558
Transfers & subsidies			
Provinces & municipalities	4	-	3
Departmental agencies & accounts	49 724	-	-
Non-profit institutions	1 590	-	-
Households	-	-	5
Capital			
Machinery & equipment	-	-	34
"Software & other intangible assets"	-	-	-
Total	68 542	-	1 600

2006/07				2005/06	
Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
R'000	R'000	R'000	%	R'000	R'000
4 118	4 118	-	100.0%	3 045	2 023
14 664	15 357	(693)	99.2%	12 654	12 654
7	7	-	100.0%	19	19
49 724	49 724	-	100.0%	65 864	65 864
1 590	1 590	-	100.0%	1 500	1 500
5	5	-	100.0%	-	-
34	34	-	100.0%	309	309
-	-	-	0.0%	-	-
70 142	70 835	(693)	100.1%	83 391	82 369

Notes to the Appropriation Statement

for the year ended 31 March 2007

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 I (A-H) 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	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Programme 1				
Administration	127 113	127 543	(430)	-0.3%
Refer to the Accounting Officer's Report				
Programme 2				
Governance, Policy and Research	37 624	37 624	-	
Programme 3				
Urban and Rural Development	7 960	7 960	-	
Programme 4				
Systems and Capacity Building	98 741	98 741	-	
Programme 5				
Free Basic Services and Infrastructure	36 620	36 620	-	
Explanation of variance				
Programme 6				
Provincial and Local Government Transfers *	25 014 088	24 196 349	817 739	3.3%
Programme 7				
Fiscal Transfers	70 142	70 835	(693)	-1.0%
Refer to the Accounting Officer's Report				

* The underspending is mainly due to funds for the MIG, which were stopped due to persistent underspending by municipalities as well as the late approval of funds on disaster relief projects which were not transferred timeously to municipalities.

	R'000
Current expenditure	
Compensation of employees	116 166
Goods and services	189 288
Financial transactions in assets and liabilities	267
Transfers and subsidies	
Provinces and municipalities	24 196 442
Departmental agencies and accounts	49 724
Public corporations and private enterprises	278
Foreign governments and international organisations	2 983
Non-profit institutions	6 809
Households	734
Payments for capital assets	
Machinery and equipment	4 837
Software and other intangible assets	8 144

Statement of Financial Performance

for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1	25 392 288	15 960 427
Departmental revenue	2	6 830	328
Local and foreign aid assistance	3	28 178	3 403
TOTAL REVENUE		25 427 296	15 964 158
EXPENDITURE			
Current expenditure			
Compensation of employees	4	116 166	99 367
Goods and services	5	189 288	145 993
Financial transactions in assets and liabilities	6	267	42
Local and foreign aid assistance	3	35 362	35 886
Total current expenditure		341 083	281 288
Transfers and subsidies	7	24 256 970	15 705 715
Expenditure for capital assets			
Machinery and Equipment	8	4 837	6 122
Software and other intangible assets	8	8 144	323
Total expenditure for capital assets		12 981	6 445
TOTAL EXPENDITURE		24 611 034	15 993 448
SURPLUS/(DEFICIT)		816 262	(29 290)
Add back unauthorised expenditure	9	1 123	-
SURPLUS/(DEFICIT) FOR THE YEAR		817 385	(29 290)
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the revenue fund	14	817 739	2 865
Departmental revenue to be surrendered to the revenue fund	15	6 830	328
Local and foreign aid assistance	3	(7 184)	(32 483)
SURPLUS/(DEFICIT) FOR THE YEAR		817 385	(29 290)

Statement of Financial Position

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		833 143	81 929
Unauthorised expenditure	9	67 510	66 387
Cash and cash equivalents	10	751 321	38
Prepayments and advances	12	134	283
Receivables	13	2 515	3 259
Local and foreign aid assistance receivable	3	11 663	11 962
Non-current assets		6	31
Other financial assets	11	6	31
TOTAL ASSETS		833 149	81 960
LIABILITIES			
Current liabilities		833 142	81 938
Voted funds to be surrendered to the Revenue Fund	14	817 739	2 865
Departmental revenue to be surrendered to the Revenue Fund	15	9	7
Bank overdraft	16	-	56 383
Payables	17	261	67
Local and foreign aid assistance repayable	3	-	29
Local and foreign aid assistance unutilised	3	15 133	22 587
TOTAL LIABILITIES		833 142	81 938
NET ASSETS		7	22
Represented by:			
Recoverable revenue		7	22
TOTAL		7	22

Statement of Change in Net Assets

for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
Recoverable revenue			
Opening balance		22	8
Transfers		(15)	14
Debts recovered (included in departmental receipts)		(15)	(8)
Debts raised		-	22
Closing balance		7	22
TOTAL		7	22

Cash Flow Statement

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		25 427 296	15 964 158
Annual appropriated funds received	1.1	25 392 288	15 960 427
Departmental revenue received		6 830	328
Local and foreign aid assistance received	3	28 178	3 403
Net (increase)/ decrease in working capital		(36)	6 104
Surrendered to Revenue Fund		(9 693)	(16 628)
Current payments		(341 083)	(281 288)
Unauthorised expenditure - Current payment	9	1 123	
Transfers and subsidies paid		(24 256 970)	(15 705 715)
Net cash flow available from operating activities	18	820 637	(33 369)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(12 981)	(6 445)
(Increase)/ decrease in other financial assets		25	(23)
Net cash flows from investing activities		(12 956)	(6 468)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(15)	14
Increase/ (decrease) in non-current payables		-	-
Net cash flows from financing activities		(15)	14
Net increase/ (decrease) in cash and cash equivalents		807 666	(39 823)
Cash and cash equivalents at beginning of period		(56 345)	(16 522)
Cash and cash equivalents at end of period	19	751 321	(56 345)

Notes to the Annual Financial Statements

for the year ended 31 March 2007

I. ANNUAL APPROPRIATION

I.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for National Departments (Voted Funds)

	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Appropriation Received 2005/06 R'000
Programmes				
Administration	127 113	127 113	-	91 074
Governance, Policy and Research	37 624	37 624	-	24 241
Urban and Rural Development	7 960	7 960	-	8 353
Systems and Capacity Building	98 741	98 741	-	83 939
Free Basic Services and Infrastructure	36 620	36 620	-	38 227
Provincial and Local Government Transfers	25 014 088	25 014 088	-	15 631 202
Fiscal Transfers	70 142	70 142	-	83 391
Total	25 392 288	25 392 288	-	15 960 427

Please provide an explanation for funds not requested/not received.

Although there is no variance between the final appropriation and the actual funds received, an underspending of R817,739 million and R1,123 million unauthorised expenditure realised. R817,739 million has been requested to be rolled over. For a detailed explanation refer to: Notes to the Appropriation Statement.

	Note	2006/07 R'000	2005/06 R'000
2. DEPARTMENTAL REVENUE TO BE SURRENDERED TO REVENUE FUND			
Sales of goods and services other than capital assets	2.1	110	81
Fines, penalties and forfeits		-	55
Interest, dividends and rent on land	2.2	6	3
Financial transactions in assets and liabilities	2.3	6 714	189
Total		6 830	328
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		109	81
Other sales		109	81
Sales of scrap, waste and other used current goods		1	
Total		110	81
2.2 Interest, dividends and rent on land and buildings			
Interest		6	3
Total		6	3

	Note	2006/07 R'000	2005/06 R'000
2.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Receivables		6 711	176
Stale cheques written back		3	-
Other receipts including recoverable revenue		-	13
Total		6 714	189
3. LOCAL AND FOREIGN AID ASSISTANCE			
3.1 Assistance received in cash from RDP			
Foreign			
Opening Balance		10 654	43 137
Revenue		24 554	3 403
Expenditure		31 738	35 886
Current		31 738	35 886
Capital		-	-
Closing Balance		3 470	10 654
3.2 Assistance received in cash: Other			
Local			
Opening Balance		-	-
Revenue		3 624	-
Expenditure		3 624	-
Current		3 624	-
Closing Balance		-	-
Total			
Opening Balance		10 654	43 137
Revenue		28 178	3 403
Expenditure		35 362	35 886
Current		35 362	35 886
Closing Balance		3 470	10 654
Analysis of balance			
Local and foreign aid receivable		11 663	11 962
Local and foreign aid unutilised		15 133	22 587
Local foreign aid payable to RDP fund/donors		-	29
Closing balance		3 470	10 654

Notes to the Annual Financial Statements continued...

for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
4. COMPENSATION OF EMPLOYEES			
4.1 Salaries and wages			
Basic salary		73 937	64 713
Performance award		3 880	3 004
Service Based		342	193
Compensative/circumstantial		1 382	933
Periodic payments		24	-
Other non-pensionable allowances		24 695	19 866
Total		104 260	88 709
4.2 Social contributions			
4.2.1 Employer contributions			
Pension		8 588	7 449
Medical		3 306	3 197
Bargaining Council		12	12
Total		11 906	10 658
Total compensation of employees		116 166	99 367
Average number of employees		415	411

	Note	2006/07 R'000	2005/06 R'000
5. GOODS AND SERVICES			
Advertising		10 665	5 323
Attendance fees (including registration fees)		289	282
Bank charges and card fees		60	43
Bursaries (employees)		273	287
Communication		7 422	5 743
Computer services		4 534	3 811
Consultants, contractors and special services		62 809	52 167
Courier and delivery services		210	305
Drivers licences and permits		-	3
Entertainment		2 396	1 828
External audit fees	5.1	2 831	2 135
Equipment less than R5 000		2 367	944
Firearm handling fees		1	-
Inventory	5.2	5 168	4 705
Legal fees		3 777	902
Maintenance, repair and running costs		2 127	1 748
Operating leases		35 929	23 424
Personnel agency fees		91	26
Photographic services		-	11
Plant flowers and other decorations		85	62
Printing and publications		1 606	1 683
Professional bodies and membership fees		5	16
Resettlement costs		239	395
Subscriptions		398	116
Storage of furniture		19	-
Owned and leasehold property expenditure		5 020	1 852
Translations and transcriptions		735	495
Transport provided as part of the departmental activities		53	-
Travel and subsistence	5.3	33 369	31 143
Venues and facilities		5 418	5 461
Protective, special clothing & uniforms		-	10
Training & staff development		1 392	1 073
Total		189 288	145 993
5.1 External audit fees			
Regulatory audits		2 831	2 135
Total external audit fees		2 831	2 135

Notes to the Annual Financial Statements continued...

for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
5.2 Inventory			
Other inventory		6	-
Domestic Consumables		91	149
Learning and teaching support material		79	-
Fuel, oil and gas		72	32
Other consumables		10	63
Parts and other maint mat		15	11
Stationery and Printing		4 892	4 445
Medical Supplies		3	5
Total Inventory		5 168	4 705
5.3 Travel and subsistence			
Local		31 064	28 152
Foreign		2 305	2 991
Total travel and subsistence		33 369	31 143
6. FINANCIAL TRANSACTIONS IN ASSETS AND LIABILITIES			
Other material losses written off	6.1	195	42
Debts written off	6.2	72	-
Total		267	42
6.1 Other material losses written off			
Nature of losses			
Cancellation fees on transport and subsistence		1	12
Car accident claims		194	19
Loss of luggage by Airport		-	11
Total		195	42
6.2 Debts written off			
Nature of debts written off			
Warrant voucher fraud 1999		72	-
Total		72	-

	Note	2006/07 R'000	2005/06 R'000
7. TRANSFERS AND SUBSIDIES			
Provinces and municipalities	ANNEX 1A, 1B, & 1C	24 196 442	15 631 508
Departmental agencies and accounts	ANNEX 1D	49 724	67 814
Foreign governments and international organisations	ANNEX 1F	2 983	-
Public corporations and private enterprises	ANNEX 1E	278	177
Non-profit institutions	ANNEX 1G	6 809	5 500
Households	ANNEX 1H	734	716
Total		24 256 970	15 705 715
8. EXPENDITURE ON CAPITAL ASSETS			
Machinery and equipment	28	4 837	6 122
Software and other intangible assets		8 144	323
Computer Software	29	8 144	323
Total		12 981	6 445
9 UNAUTHORISED EXPENDITURE			
9.1 Reconciliation of unauthorised expenditure			
Opening balance		66 387	66 387
Unauthorised expenditure - Current payment		1 123	
Unauthorised expenditure awaiting authorisation		67 510	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 expenditure used for current expenditure 1993/94 for current expenditure 1993/94	Approved in Finance Act, 2007 (Act No. 2, 2007)	160
Conference facilities at the World Trade Centre	Approved in Finance Act, 2007 (Act No. 2, 2007)	66 227
Overspending of the Vote 2006/07	Approval will be requested	1 123
Total		67 510

Notes to the Annual Financial Statements continued...

for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
10. CASH AND CASH EQUIVALENTS			
Consolidated Paymaster General Account		782 017	-
Cash receipts		(6)	2
Disbursements		(30 710)	-
Cash on hand		20	20
Cash with commercial banks (Local)		-	16
Total		751 321	38
11. OTHER FINANCIAL ASSETS			
Non-Current			
Local			
Staff debtors		6	31
Total		6	31
Total Non-Current Other financial assets		6	31
12. PREPAYMENTS AND ADVANCES			
Description			
Staff advances		7	7
Travel and subsistence		80	87
Advances paid to other entities		47	189
Total		134	283

13. RECEIVABLES

	Notes	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	285	448	30	763	677
Other debtors	13.2	1 590	80	-	1 670	2 551
Intergovernmental Receivables	Annex 3	82	-	-	82	31
Total		1 957	528	30	2 515	3 259

	Note	2006/07 R'000	2005/06 R'000
13.1 Staff debtors			
Tax debt		13	35
Bursary debt		7	2
Car accidents		638	585
Telephone debt		25	24
Salary overpayments		79	16
Other		1	15
Total		763	677
13.2 Other Debtors			
Fraud warrant vouchers		-	72
Fraud payments to suppliers		64	64
Theft petty cash		15	15
VAT on donor projects		692	1 032
Suppliers		893	1 366
Other		6	2
Total		1 670	2 551
14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		2 865	16 304
Transfer from Statement of Financial Performance		817 739	2 865
Paid during the year		(2 865)	(16 304)
Closing balance		817 739	2 865
15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND			
Opening balance		7	3
Transfer from Statement of Financial Performance		6 830	328
Paid during the year		(6 828)	(324)
Closing balance		9	7
16. BANK OVERDRAFT			
Consolidated Paymaster General Account		-	56 383
Total		-	56 383

Notes to the Annual Financial Statements continued...

for the year ended 31 March 2007

Description	Notes	30 Days R'000	30+ Days R'000	Total R'000	Total R'000
17. PAYABLES – CURRENT					
Other payables	17.1	260	1	261	67
Total		260	1	261	67

	Note	2006/07 R'000	2005/06 R'000
17.1 Other payables			
Description			
Salaries and deductions		245	57
Suppliers		-	10
Staff		16	-
Total		261	67
18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES			
Net surplus/(deficit) as per Statement of Financial Performance		817 385	(29 290)
Add back non cash/cash movements not deemed operating activities		3 252	(4 079)
(Increase)/decrease in receivables – current		744	9 657
Unauthorised expenditure - Current payment		(1 123)	
(Increase)/decrease in prepayments and advances		149	(17)
Increase/(decrease) in payables – current		194	(3 536)
Expenditure on capital assets		12 981	6 445
Surrenders to revenue fund		(9 693)	(16 628)
Net cash flow generated by operating activities		820 637	(33 369)
19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES			
Consolidated Paymaster General Account		782 017	(56 383)
Cash receipts		(6)	2
Disbursements		(30 710)	-
Cash on hand		20	20
Cash with commercial banks - Local		-	16
Total		751 321	(56 345)

				2006/07	2005/06	
				R'000	R'000	
20. CONTINGENT LIABILITIES						
	Liable to	Nature				
	Motor vehicle guarantees	Employees	ANNEX 2A	554	891	
	Housing loan guarantees	Employees	ANNEX 2A	302	306	
	Claims against the department		ANNEX 2B	575	575	
	Other departments (interdepartmental unconfirmed balances)		ANNEX 3	427	48	
Total				1 858	1 820	
21. COMMITMENTS						
Current expenditure						
Approved and contracted				3 039	13 695	
Approved but not yet contracted				173	2 406	
				3 212	16 101	
Non-current expenditure						
Approved and contracted				139	713	
Approved but not yet contracted				-	168	
				139	881	
22. ACCRUALS						
Description	Notes	30 Days R'000	30+ Days R'000	Total R'000	Total R'000	
By economic classification					2	
Compensation of employees		40	-	40	3 671	
Goods and services		3 739	1 775	5 514	11	
Transfers and subsidies		-	-	-	3 684	
Total		3 779	1 775	5 554	7368	
Listed by programme level						
Programme 1 - Administration				3 240	1 223	
Programme 2 - Governance, Policy and Research				877	456	
Programme 3 - Urban and Rural Development				12	42	
Programme 4 - Systems and Capacity Building				1 115	1 408	
Programme 5 - Free Basic Services and Infrastructure				255	505	
Programme 7 - Fiscal Transfers				55	50	
Total				5 554	3 684	
Confirmed balances with departments				ANNEX 4	145	255
Total				145	255	

Notes to the Annual Financial Statements continued...

for the year ended 31 March 2007

	Note	2006/07 R'000	2005/06 R'000
23. EMPLOYEE BENEFIT PROVISIONS			
Leave entitlement		2 287	2 073
Thirteenth cheque		2 899	2 597
Capped leave commitments		4 583	4 324
Total		9 769	8 994

	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
24. LEASE COMMITMENTS				
24.1 Finance leases				
2006/2007				
Not later than 1 year	-	-	2 577	2 577
Later than 1 year and not later than 5 years	-	-	1 911	1 911
Total present value of lease liabilities	-	-	4 488	4 488
Analysis				
Condoned	-	-	1 557	1 557
Not condoned	-	-	2 931	2 931
Total	-	-	4 488	4 488
2005/2006				
Later than 1 year and not later than 5 years	-	-	6 002	6 002
Total present value of lease liabilities	-	-	6 002	6 002
Analysis				
Condoned	-	-	1 884	1 884
Not condoned	-	-	4 118	4 118
Total	-	-	6 002	6 002

The amounts of the fair value of finance lease assets in the finance lease register as at 31 March 2007 are transport assets R1,246 million and furniture and office equipment R2,7 million. These amounts are not included in note 28.

	Note	2006/07 R'000	2005/06 R'000
25. IRREGULAR EXPENDITURE			
25.1 Reconciliation of irregular expenditure			
Opening Balance		25 835	22 795
Irregular expenditure – current year		2 182	3 040
Less: Amounts condoned		3 856	-
Current expenditure		3 856	-
Irregular expenditure awaiting condonement		24 161	25 835
Analysis of awaiting condonement per classification			
Current expenditure		24 161	25 835
		24 161	25 835
Analysis of awaiting condonement per age classification			
Current		2 182	3 040
Prior years		21 979	22 795
Total		24 161	25 835
25.2 Irregular expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
Contracts were entered into between the Command Centre and various parties in the 2000/01 and 2001/02 financial years without adhering to State Tender Board procedures	Re-application for Ex post facto approval from the State Tender Board being submitted	20 559	20 559
Non compliance with regard to the Procurement Policy	Preventative measures will be put in place in future and approval will be granted	12	-
Non compliance with regard to the Procurement Policy	Procurement Policy to be amended to exempt the Commission on Traditional Leadership Disputes and Claims from the provision in respect of legal services	392	-
Leases of office equipment	As per RT 3 Contract 3 of 2003	-	3 856
Leases of office equipment	dplg Tender	2 589	1 266
Leases of motor vehicles	Department of Transport letter dated 23-Jun-04	609	154
Total		24 161	25 835

Notes to the Annual Financial Statements continued...

for the year ended 31 March 2007

Description	No of Individuals	Total R'000	Total R'000
26 KEY MANAGEMENT PERSONNEL			
Political Office Bearers	2	1 866	1 771
Officials			
Level 15 to 16	7	3 884	4 568
Level 14 (incl CFO if at lower level)	32	16 407	12 680
Total		22 157	19 019
27 PROVISIONS			
Potential irrecoverable debts			
Staff debtors		-	72
Claims recoverable - EU		793	-
Total		793	72

	Opening balance Cost	Current Year Adjustments to prior year balances Cost	Additions Cost	Disposals Cost	Closing balance Cost
	R'000	R'000	R'000	R'000	R'000
28 TANGIBLE CAPITAL ASSETS					
MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007					
MACHINERY AND EQUIPMENT	21 718	5 463	4 913	204	31 890
Transport assets	2 253	731	731	204	3 511
Computer equipment	15 306	3 705	3 240	-	22 251
Furniture and Office equipment	4 159	(1 864)	688	-	2 983
Other machinery and equipment	-	2 891	254	-	3 145
TOTAL TANGIBLE ASSETS	21 718	5 463	4 913	204	31 890

The amounts of the fair value of finance lease assets in the finance lease register as at 31 March 2007 are transport assets R1,246 million and furniture and office equipment R2,7 million. These amounts are not included in note 28.

	Cash Cost	Non-Cash Fair Value	(Capital work in progress - current costs) Cost	Received cur- rent year, not paid (Paid current year, received prior year) Cost	Total Cost
	R'000	R'000	R'000	R'000	R'000
28.1 Additions to tangible capital asset per asset register for the year ended 31 March 2007					
MACHINERY AND EQUIPMENT	4 837	14	-	62	4 913
Transport assets	731	-	-	-	731
Computer equipment	3 148	14	-	78	3 240
Furniture and Office equipment	704	-	-	-16	688
Other machinery and equipment	254	-	-	-	254
TOTAL CAPITAL ASSETS	4 837	14	-	62	4 913

	Sold (cash) Cost R'000	Non-cash Fair Value R'000	Total Cost R'000	Cash Received Actual R'000
28.2 Disposals of tangible capital assets per asset register for the year ended 31 March 2007				
MACHINERY AND EQUIPMENT	-	204	204	-
Transport assets	-	204	204	-
TOTAL	-	204	204	-

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
28.3 Movement in tangible capital assets per asset register for the year ended 31 March 2006				
MACHINERY AND EQUIPMENT	15 596	6 122	-	21 718
Transport assets	1 646	607	-	2 253
Computer equipment	10 724	4 582	-	15 306
Furniture and Office equipment	3 226	933	-	4 159
TOTAL TANGIBLE ASSETS	15 596	6 122	-	21 718

Notes to the Annual Financial Statements continued...

	Opening balance Cost	Current Year Adjustments to prior year balances Cost	Additions Cost	Disposals Cost	Closing balance Cost
	R'000	R'000	R'000	R'000	R'000
29 INTANGIBLE CAPITAL ASSETS					
MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2007					
COMPUTER SOFTWARE	1 893	503	8 144	-	10 540
TOTAL INTANGIBLE ASSETS	1 893	503	8 144	-	10 540

	Cash	Non-Cash	(Development work in progress - current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
29.1 Additions to intangible capital assets per asset register for the year ended 31 March 2007					
COMPUTER SOFTWARE	8 144	-	-	-	8 144
TOTAL	8 144	-	-	-	8 144

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
29.2 Capital intangible asset movement schedule for the year ended 31 March 2006				
COMPUTER SOFTWARE	1 570	323	-	1 893
TOTAL INTANGIBLE ASSETS	1 570	323	-	1 893

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Annexures to the Annual Financial Statements

for the year ended 31 March 2006-2007

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANT PAID TO PROVINCES

NAME OF PROVINCE/GRANT	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Disaster Relief				
Eastern Cape	-	-	-	-
Western Cape	-	-	-	-
Total	-	-	-	-

TRANSFERS		SPENT			2005/06
Actual Transfer	% of Available Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
-	0.0%	-	-	0.0%	16 200
-	0.0%	-	-	0.0%	24 500
-		-	-		40 700

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1B STATEMENT OF CONDITIONAL GRANTS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant Eastern Cape				
Nelson Mandela	4 000	-	-	4 000
Blue Crane Route	150	-	-	150
Ikwezi	150	-	-	150
Makana	150	-	-	150
Kouga	150	-	-	150
Koukamma	150	-	-	150
Cacadu District Municipality	1 000	-	-	1 000
Mbhashe	734	-	-	734
Mnquma	734	-	-	734
Great Kei	150	-	-	150
Buffalo City	4 000	-	-	4 000
Nkonkobe	150	-	-	150
Nxuba	150	-	-	150
Amatole District Municipality	1 000	-	-	1 000
Tsolwana	150	-	-	150
Inkwanca	150	-	-	150
Lukhanji	1 000	-	-	1 000
Intsika Yethu	734	-	-	734
Emalahleni	734	-	-	734
Engcobo	734	-	-	734
Sakhisizwe	734	-	-	734
Chris Hani District Municipality	1 000	-	-	1 000
Elundini	734	-	-	734
Ukhahlamba District Municipality	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	734	-	-	734
O.R. Tambo District Municipality	1 000	-	-	1 000
Umzimvubu	734	-	-	734
Matatiele	734	-	-	734
Alfred Nzo District Municipality	1 000	-	-	1 000
	28 244	-	-	28 244

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
4 000	100.0%	4 000	1 224	30.6%	4 000
150	100.0%	150	150	100.0%	-
150	100.0%	150	150	100.0%	150
150	100.0%	150	-	0.0%	900
150	100.0%	150	84	56.0%	150
150	100.0%	150	98	65.3%	-
1 000	100.0%	1 000	338	33.8%	1 000
734	100.0%	734	81	11.0%	734
734	100.0%	734	435	59.3%	734
150	100.0%	150	-	0.0%	-
4 000	100.0%	4 000	1 387	34.7%	4 250
150	100.0%	150	18	12.0%	-
150	100.0%	150	150	100.0%	-
1 000	100.0%	1 000	545	54.5%	1 750
150	100.0%	150	150	100.0%	150
150	100.0%	150	116	77.3%	-
1 000	100.0%	1 000	642	64.2%	1 000
734	100.0%	734	482	65.7%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	451	61.4%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	358	35.8%	1 000
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	-	0.0%	1 000
734	100.0%	734	369	50.3%	734
734	100.0%	734	103	14.0%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	555	75.6%	734
734	100.0%	734	136	18.5%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	263	35.8%	884
1 000	100.0%	1 000	816	81.6%	1 000
734	100.0%	734	-	0.0%	734
734	100.0%	734	208	28.3%	-
1 000	100.0%	1 000	843	84.3%	1 000
28 244	100.0%	28 244	10 152	35.9%	28 510

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION				
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer
	R'000	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant Free State					
Kopanong	1 000	-	-	1 000	1 000
Mohokare	734	-	-	734	734
Xhariep District Municipality	1 000	-	-	1 000	1 000
Naledi	734	-	-	734	734
Mangaung	-	-	-	-	-
Mantsopa	-	-	-	-	-
Motheo District Municipality	1 000	-	-	1 000	1 000
Masilonyana	150	-	-	150	150
Tokologo	734	-	-	734	734
Tswelopele	734	-	-	734	734
Matjhabeng	4 000	-	-	4 000	4 000
Nala	734	-	-	734	734
Lejweleputswa District Municipality	1 000	-	-	1 000	1 000
Setsoto	734	-	-	734	734
Dihlabeng	150	-	-	150	150
Maluti-a-Phofung	734	-	-	734	734
Phumelela	1 000	-	-	1 000	1 000
Thabo Mofutsanyana District Municipality	1 000	-	-	1 000	1 000
Moqhaka	734	-	-	734	734
Fezile Dabi District Municipality	1 000	-	-	1 000	1 000
	17 172	-	-	17 172	17 172

TRANSFER	SPENT			2005/06
% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
%	R'000	R'000	%	R'000
100.0%	1 000	419	41.9%	734
100.0%	734	399	54.4%	734
100.0%	1 000	149	14.9%	1 000
100.0%	734	-	0.0%	734
0.0%	-	-	0.0%	1 250
0.0%	-	-	0.0%	750
100.0%	1 000	896	89.6%	1 000
100.0%	150	84	56.0%	-
100.0%	734	150	20.4%	734
100.0%	734	524	71.4%	734
100.0%	4 000	1 518	38.0%	2 000
100.0%	734	264	36.0%	734
100.0%	1 000	555	55.5%	1 000
100.0%	734	528	71.9%	734
100.0%	150	52	34.7%	-
100.0%	734	474	64.6%	734
100.0%	1 000	-	0.0%	734
100.0%	1 000	634	63.4%	1 000
100.0%	734	734	100.0%	734
100.0%	1 000	278	27.8%	1 000
100.0%	17 172	7 658	44.6%	16 340

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION				
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer
	R'000	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant					
Gauteng					
Ekurhuleni	-	-	-	-	-
City of Johannesburg	4 000	-	-	4 000	4 000
City of Tshwane	-	-	-	-	-
Kungwini	1 000	-	-	1 000	1 000
Metsweding District Municipality	1 000	-	-	1 000	1 000
Emfuleni	150	-	-	150	150
Lesedi	734	-	-	734	734
Sedibeng District Municipality	1 000	-	-	1 000	1 000
Randfontein	150	-	-	150	150
Westonaria	-	-	-	-	-
West Rand District Municipality	1 000	-	-	1 000	1 000
	9 034	-	-	9 034	9 034

TRANSFER	SPENT			2005/06
% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
%	R'000	R'000	%	R'000
0.0%	-	-	0.0%	2 000
100.0%	4 000	4 000	100.0%	4 000
0.0%	-	-	0.0%	3 000
100.0%	1 000	-	0.0%	734
100.0%	1 000	423	42.3%	1 000
100.0%	150	-	0.0%	-
100.0%	734	582	79.3%	750
100.0%	1 000	60	6.0%	1 750
100.0%	150	61	40.7%	150
0.0%	-	-	0.0%	250
100.0%	1 000	1 000	100.0%	1 000
100.0%	9 034	6 126	67.8%	14 634

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant KwaZulu-Natal				
eThekweni	-	-	-	-
Vulamehlo	734	-	-	734
Umzumbe	734	-	-	734
Ugu District Municipality	1 000	-	-	1 000
uMshwathi	734	-	-	734
uMngeni	4 000	-	-	4 000
Mooi Mpofana	150	-	-	150
Mkhambathini	734	-	-	734
Richmond	734	-	-	734
uMgungundlovu District	1 000	-	-	1 000
Emnambithi/Ladysmith	734	-	-	734
Indaka	734	-	-	734
Okhahlamba	734	-	-	734
Uthukela District Municipality	1 000	-	-	1 000
Nquthu	734	-	-	734
Msinga	734	-	-	734
Umzinyathi District Municipality	1 000	-	-	1 000
Utrecht	734	-	-	734
Dannhauser	150	-	-	150
Amajuba District Municipality	1 000	-	-	1 000
uPhongolo	150	-	-	150
Abaqulusi	734	-	-	734
Nongoma	734	-	-	734
Ulundi	734	-	-	734
Zululand District Municipality	1 000	-	-	1 000
Umhlabyalingana	734	-	-	734
Jozini	734	-	-	734
The Big Five False Bay	734	-	-	734
Hlabisa	734	-	-	734
Umkhanyakude District Municipality	1 000	-	-	1 000
Mbonambi	734	-	-	734
Ntambanana	734	-	-	734
Umlalazi	734	-	-	734
Mthonjaneni	734	-	-	734
Nkandla	734	-	-	734
uThungulu District Municipality	1 000	-	-	1 000
KwaDukuza	150	-	-	150
Ndwedwe	734	-	-	734
Maphumulo	734	-	-	734
Ilembe District Municipality	1 000	-	-	1 000

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
-	0.0%	-	-	0.0%	2 000
734	100.0%	734	29	4.0%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	820	82.0%	1 000
734	100.0%	734	-	0.0%	734
4 000	100.0%	4 000	1 005	25.1%	2 734
150	100.0%	150	-	0.0%	150
734	100.0%	734	339	46.2%	734
734	100.0%	734	261	35.6%	734
1 000	100.0%	1 000	1 000	100.0%	1 000
734	100.0%	734	733	99.9%	-
734	100.0%	734	-	0.0%	734
734	100.0%	734	192	26.2%	734
1 000	100.0%	1 000	450	45.0%	1 000
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	-	0.0%	1 000
734	100.0%	734	57	7.8%	734
150	100.0%	150	-	0.0%	-
1 000	100.0%	1 000	450	45.0%	1 000
150	100.0%	150	-	0.0%	-
734	100.0%	734	125	17.0%	734
734	100.0%	734	120	16.3%	734
734	100.0%	734	717	97.7%	734
1 000	100.0%	1 000	629	62.9%	1 000
734	100.0%	734	442	60.2%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	168	16.8%	1 000
734	100.0%	734	299	40.7%	734
734	100.0%	734	417	56.8%	734
734	100.0%	734	41	5.6%	734
734	100.0%	734	165	22.5%	734
734	100.0%	734	734	100.0%	734
1 000	100.0%	1 000	127	12.7%	1 000
150	100.0%	150	150	100.0%	-
734	100.0%	734	203	27.7%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	622	62.2%	1 000

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant KwaZulu-Natal (continued)				
Ingwe	734	-	-	734
Kwa Sani	734	-	-	734
Greater Kokstad	4 000	-	-	4 000
Ubuhlebezwe	734	-	-	734
Umkhulu	734	-	-	734
Sisonke District Municipality	1 000	-	-	1 000
	39 886	-	-	39 886

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant Limpopo				
Makhuduthamaga	4 000	-	-	4 000
Fetakgomo	734	-	-	734
Greater Marble Hall	734	-	-	734
Greater Groblersdal	734	-	-	734
Greater Tubatse	1 484	-	-	1 484
Greater Sekhukhune District Municipality	1 000	-	-	1 000
Bohlabela District Municipality	-	-	-	-
Greater Giyani	734	-	-	734
Greater Letaba	734	-	-	734
Ba-Phalaborwa	1 150	-	-	1 150
Maruleng	734	-	-	734
Mopani District Municipality	1 000	-	-	1 000
Mutale	734	-	-	734
Thulamela	734	-	-	734
Makhado	1 518	-	-	1 518
Vhembe District Municipality	1 000	-	-	1 000
Blouberg	772	-	-	772
Aganang	734	-	-	734
Molemole	150	-	-	150
Lepelle-Nkumpi	734	-	-	734
Capricorn District Municipality	1 000	-	-	1 000
Thabazimbi	734	-	-	734
Modimolle	-	-	-	-
Waterberg District Municipality	1 000	-	-	1 000
	22 148	-	-	22 148

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
4 000	100.0%	4 000	1 352	33.8%	2 734
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	171	17.1%	1 000
39 886	100.0%	39 886	11 818	29.6%	38 170

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
4 000	100.0%	4 000	4 000	100.0%	1 870
734	100.0%	734	73	9.9%	734
734	100.0%	734	626	85.3%	734
734	100.0%	734	82	11.2%	734
1 484	100.0%	1 484	247	16.6%	1 484
1 000	100.0%	1 000	-	0.0%	1 150
-	0.0%	-	-	0.0%	1 000
734	100.0%	734	734	100.0%	734
734	100.0%	734	453	61.7%	734
1 150	100.0%	1 150	190	16.5%	150
734	100.0%	734	226	30.8%	734
1 000	100.0%	1 000	394	39.4%	1 900
734	100.0%	734	536	73.0%	734
734	100.0%	734	496	67.6%	734
1 518	100.0%	1 518	1 144	75.4%	1 644
1 000	100.0%	1 000	608	60.8%	1 000
772	100.0%	772	419	54.3%	772
734	100.0%	734	734	100.0%	734
150	100.0%	150	-	0.0%	-
734	100.0%	734	73	9.9%	734
1 000	100.0%	1 000	657	65.7%	1 000
734	100.0%	734	-	0.0%	734
-	0.0%	-	-	0.0%	750
1 000	100.0%	1 000	906	90.6%	1 000
22 148	100.0%	22 148	12 598	56.9%	21 794

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant Mpumalanga				
Albert Luthuli	1 484	-	-	1 484
Msukaligwa	734	-	-	734
Mkhondo	734	-	-	734
Pixley Ka Seme	734	-	-	734
Lekwa	750	-	-	750
Dipaleseng	150	-	-	150
Govan Mbeki	734	-	-	734
Gert Sibande District Municipality	1 000	-	-	1 000
Delmas	734	-	-	734
Emalahleni	750	-	-	750
Steve Tshwete	734	-	-	734
Emakhazeni	734	-	-	734
Thembisile	1 634	-	-	1 634
Dr JS Moroka	4 000	-	-	4 000
Nkangala District Municipality	1 000	-	-	1 000
Thaba Chweu	734	-	-	734
Mbombela	734	-	-	734
Umjindi	3 000	-	-	3 000
Nkomazi	1 484	-	-	1 484
Bushbuckridge	884	-	-	884
Ehlanzeni District Municipality	1 000	-	-	1 000
	23 742	-	-	23 742

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
1 484	100.0%	1 484	1 001	67.5%	1 484
734	100.0%	734	734	100.0%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	734	100.0%	734
750	100.0%	750	-	0.0%	750
150	100.0%	150	40	26.7%	-
734	100.0%	734	120	16.3%	734
1 000	100.0%	1 000	387	38.7%	1 000
734	100.0%	734	67	9.1%	734
750	100.0%	750	750	100.0%	1 500
734	100.0%	734	623	84.9%	984
734	100.0%	734	143	19.5%	734
1 634	100.0%	1 634	1 161	71.1%	1 634
4 000	100.0%	4 000	2 054	51.4%	2 484
1 000	100.0%	1 000	1 000	100.0%	1 750
734	100.0%	734	539	73.4%	734
734	100.0%	734	60	8.2%	734
3 000	100.0%	3 000	3 000	100.0%	734
1 484	100.0%	1 484	1 022	68.9%	1 484
884	100.0%	884	-	0.0%	884
1 000	100.0%	1 000	307	30.7%	1 000
23 742	100.0%	23 742	13 742	57.9%	21 560

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant Northern Cape				
Moshaweng	150	-	-	150
Ga-Segonyana	734	-	-	734
Gammagara	150	-	-	150
Kgalagadi District Municipality	1 000	-	-	1 000
Kamiesberg	734	-	-	734
Hantam	734	-	-	734
Karoo Hoogland	734	-	-	734
Khai-Ma	150	-	-	150
Namakwa District Municipality	1 000	-	-	1 000
Ubuntu	734	-	-	734
Umsobomvu	734	-	-	734
Emthanjeni	150	-	-	150
Kareeberg	734	-	-	734
Renosterberg	734	-	-	734
Thembelihle	734	-	-	734
Siyancuma	734	-	-	734
Karoo District Municipality	1 000	-	-	1 000
Mier	734	-	-	734
!Kai! Garib	734	-	-	734
!Kheis	734	-	-	734
Tsantsabane	4 000	-	-	4 000
Siyanda District Municipality	1 000	-	-	1 000
Sol Plaatje	150	-	-	150
Dikgatlong	734	-	-	734
Magareng	150	-	-	150
Phokwane	734	-	-	734
Frances Baard District Municipality	1 000	-	-	1 000
	20 910	-	-	20 910

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
150	100.0%	150	106	70.7%	-
734	100.0%	734	695	94.7%	734
150	100.0%	150	150	100.0%	900
1 000	100.0%	1 000	1 313	131.3%	1 750
734	100.0%	734	734	100.0%	734
734	100.0%	734	381	51.9%	734
734	100.0%	734	640	87.2%	984
150	100.0%	150	26	17.3%	-
1 000	100.0%	1 000	603	60.3%	1 000
734	100.0%	734	363	49.5%	734
734	100.0%	734	275	37.5%	734
150	100.0%	150	110	73.3%	-
734	100.0%	734	734	100.0%	734
734	100.0%	734	115	15.7%	734
734	100.0%	734	56	7.6%	734
734	100.0%	734	429	58.4%	734
1 000	100.0%	1 000	-	0.0%	1 000
734	100.0%	734	62	8.4%	734
734	100.0%	734	57	7.8%	734
734	100.0%	734	734	100.0%	734
4 000	100.0%	4 000	4 000	100.0%	2 734
1 000	100.0%	1 000	603	60.3%	1 000
150	100.0%	150	150	100.0%	-
734	100.0%	734	345	47.0%	734
150	100.0%	150	-	0.0%	-
734	100.0%	734	208	28.3%	734
1 000	100.0%	1 000	764	76.4%	1 000
20 910	100.0%	20 910	13 653	65.3%	20 644

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant North West				
Moretele	4 000	-	-	4 000
Moses Kotane	734	-	-	734
Bojanala Platinum District Municipality	1 000	-	-	1 000
Ratlou	734	-	-	734
Tswaing	734	-	-	734
Mafikeng	4 000	-	-	4 000
Ditsobotla	734	-	-	734
Zeerust	734	-	-	734
Central District Municipality	1 000	-	-	1 000
Kagisano	734	-	-	734
Naledi	734	-	-	734
Mamusa	734	-	-	734
Greater Taung	734	-	-	734
Molopo	734	-	-	734
Lekwa-Teemane	734	-	-	734
Bophirima District Municipality	1 000	-	-	1 000
Ventersdorp	734	-	-	734
Merafong City	734	-	-	734
Southern District Municipality	1 000	-	-	1 000
	21 542	-	-	21 542
Western Cape				
City of Cape Town	-	-	-	-
Matzikama	734	-	-	734
Cederberg	4 000	-	-	4 000
Saldanha Bay	-	-	-	-
West Coast District Municipality	1 000	-	-	1 000
Witzenberg	734	-	-	734
Breede Valley	150	-	-	150
Breede River Winelands	734	-	-	734
Cape Winelands District Municipality	1 000	-	-	1 000
Theewaterskloof	734	-	-	734
Overberg District Municipality	1 000	-	-	1 000
Kannaland	2 884	-	-	2 884
Knysna	150	-	-	150
Eden District Municipality	1 000	-	-	1 000
Laingsburg	734	-	-	734
Prince Albert	734	-	-	734
Beaufort West	734	-	-	734
Central Karoo District	1 000	-	-	1 000
	17 322	-	-	17 322
Subtotal	200 000	-	-	200 000

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
4 000	100.0%	4 000	2 565	64.1%	3 734
734	100.0%	734	250	34.1%	734
1 000	100.0%	1 000	-	0.0%	1 000
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
4 000	100.0%	4 000	3 300	82.5%	3 734
734	100.0%	734	-	0.0%	734
734	100.0%	734	78	10.6%	734
1 000	100.0%	1 000	213	21.3%	1 000
734	100.0%	734	734	100.0%	734
734	100.0%	734	202	27.5%	-
734	100.0%	734	-	0.0%	734
734	100.0%	734	222	30.2%	734
734	100.0%	734	-	0.0%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	77	7.7%	1 000
734	100.0%	734	489	66.6%	734
734	100.0%	734	-	0.0%	734
1 000	100.0%	1 000	425	42.5%	1 000
21 542	100.0%	21 542	8 555	39.7%	20 276
-	0.0%	-	-	0.0%	2 000
734	100.0%	734	532	72.5%	984
4 000	100.0%	4 000	1 077	26.9%	1 734
-	0.0%	-	-	0.0%	750
1 000	100.0%	1 000	1 000	100.0%	1 750
734	100.0%	734	-	0.0%	734
150	100.0%	150	150	100.0%	150
734	100.0%	734	530	72.2%	-
1 000	100.0%	1 000	1 000	100.0%	1 000
734	100.0%	734	294	40.1%	734
1 000	100.0%	1 000	1 000	100.0%	1 000
2 884	100.0%	2 884	-	0.0%	2 884
150	100.0%	150	150	100.0%	150
1 000	100.0%	1 000	1 000	100.0%	1 000
734	100.0%	734	538	73.3%	734
734	100.0%	734	215	29.3%	734
734	100.0%	734	665	90.6%	734
1 000	100.0%	1 000	740	74.0%	1 000
17 322	100.0%	17 322	8 891	51.3%	18 072
200 000	100.0%	200 000	93 193	46.6%	200 000

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Eastern Cape				
Nelson Mandela	179 125	-	106 346	285 471
Camdeboo	8 050	-	-	8 050
Blue Crane Route	10 562	-	-	10 562
Ikwezi	6 270	-	-	6 270
Makana	14 846	-	-	14 846
Ndlambe	7 047	-	-	7 047
Sundays River Valley	16 742	-	-	16 742
Baviaans	13 027	-	-	13 027
Kouga	16 410	-	-	16 410
Koukamma	3 736	-	-	3 736
Cacadu District Municipality	-	-	187 601	187 601
Mbhashe	11 490	-	-	11 490
Mnquma	16 444	-	-	16 444
Great Kei	2 521	-	-	2 521
Amahlathi	7 234	-	-	7 234
Buffalo City	97 156	-	-	97 156
Ngqushwa	4 822	-	-	4 822
Nkonkobe	6 724	-	-	6 724
Amatole District Municipality	142 742	-	19 295	162 037
Inxuba Yethemba	2 097	-	-	2 097
Lukhanji	8 776	-	-	8 776
Intsika Yethu	8 543	-	-	8 543
Emalahleni	5 662	-	-	5 662
Engcobo	6 692	-	-	6 692
Sakhisizwe	3 180	-	-	3 180
Chris Hani District Municipality	129 964	-	11 525	141 489
Elundini	9 055	-	-	9 055
Senqu	7 328	-	-	7 328
Maletswai	2 830	-	-	2 830
Ukhahlamba District Municipality	69 739	-	6 660	76 399
Mbizana	10 047	-	-	10 047
Ntabankulu	5 853	-	-	5 853
Qaukeni	10 947	-	-	10 947
Port St Johns	6 106	-	-	6 106
Nyandeni	11 474	-	-	11 474
Mhlontlo	9 573	-	-	9 573
King Sabata Dalindyebo	17 266	-	-	17 266
O.R. Tambo District Municipality	295 863	-	3 056	298 919
Umkhumbi	30 755	-	-	30 755
Matatiele	10 136	-	-	10 136

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
142 667	50.0%	142 667	101 216	70.9%	71 372
8 050	100.0%	8 050	6 660	82.7%	-
10 562	100.0%	10 562	8 354	79.1%	-
6 270	100.0%	6 270	6 106	97.4%	-
14 846	100.0%	14 846	5 565	37.5%	7 839
7 047	100.0%	7 047	2 373	33.7%	5 303
16 742	100.0%	16 742	16 742	100.0%	6 674
13 027	100.0%	13 027	5 729	44.0%	-
11 855	72.2%	11 855	3 617	30.5%	5 580
2 963	79.3%	2 963	2 040	68.8%	-
11 400	6.1%	11 400	-	0.0%	25 796
1 550	13.5%	1 550	1 380	89.0%	-
16 444	100.0%	16 444	16 444	100.0%	14 657
2 521	100.0%	2 521	-	0.0%	-
7 234	100.0%	7 234	5 627	77.8%	-
97 156	100.0%	97 156	93 009	95.7%	85 603
4 822	100.0%	4 822	4 821	100.0%	3 999
6 724	100.0%	6 724	818	12.2%	-
142 742	88.1%	142 742	142 742	100.0%	148 259
2 097	100.0%	2 097	2 074	98.9%	-
8 776	100.0%	8 776	8 776	100.0%	6 996
8 543	100.0%	8 543	8 238	96.4%	-
1 334	23.6%	1 334	1 614	121.0%	-
6 692	100.0%	6 692	5 769	86.2%	6 340
2 666	83.8%	2 666	2 084	78.2%	-
129 964	91.9%	129 964	112 084	86.2%	135 003
6 017	66.4%	6 017	6 966	115.8%	-
7 328	100.0%	7 328	7 328	100.0%	6 565
1 141	40.3%	1 141	646	56.6%	-
69 739	91.3%	69 739	69 739	100.0%	91 670
10 047	100.0%	10 047	9 782	97.4%	8 787
5 853	100.0%	5 853	4 138	70.7%	-
10 947	100.0%	10 947	9 771	89.3%	-
6 106	100.0%	6 106	5 311	87.0%	5 815
11 474	100.0%	11 474	7 506	65.4%	-
9 573	100.0%	9 573	6 354	66.4%	-
17 266	100.0%	17 266	17 266	100.0%	16 011
187 493	62.7%	187 493	195 222	104.1%	296 751
30 755	100.0%	30 755	16 847	54.8%	7 706
10 136	100.0%	10 136	5 559	54.8%	-

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Eastern Cape continued				
Alfred Nzo District Municipality	61 423	-	5 068	66 491
	1 288 257	-	339 551	1 627 808

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Free State				
Letsemeng	9 542	-	-	9 542
Kopanong	20 473	-	-	20 473
Mohokare	12 731	-	-	12 731
Xhariep District Municipality	-	-	-	-
Naledi	7 634	-	-	7 634
Mangaung	86 956	-	-	86 956
Mantsopa	23 646	-	-	23 646
Motheo District Municipality	-	-	-	-
Masilonyana	39 744	-	-	39 744
Tokologo	10 381	-	-	10 381
Tswelopele	15 085	-	-	15 085
Matjhabeng	83 733	-	-	83 733
Nala	26 185	-	-	26 185
Lejweleputswa District Municipality	-	-	-	-
Setsoto	31 926	-	-	31 926
Dihlabeng	20 399	-	-	20 399
Nketoana	15 253	-	-	15 253
Maluti-a-Phofung	50 946	-	-	50 946
Phumelela	16 382	-	-	16 382
Thabo Mofutsanyana District Municipality	20 447	-	-	20 447
Moqhaka	19 082	-	-	19 082
Ngwathe	22 894	-	-	22 894
Metsimaholo	16 631	-	-	16 631
Mafube	13 826	-	-	13 826
Fezile Dabi District Municipality	-	-	-	-
	563 896	-	-	563 896
Gauteng				
Ekurhuleni	256 006	-	-	256 006
City of Johannesburg	284 522	-	-	284 522
City of Tshwane	200 698	-	-	200 698
Nokeng tsa Taemane	6 145	-	-	6 145
Kungwini	13 018	-	-	13 018

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
61 423	92.4%	61 423	55 765	90.8%	100 248
1 129 992	69.4%	1 129 992	982 082	86.9%	1 056 974

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
9 542	100.0%	9 542	9 049	94.8%	3 904
20 473	100.0%	20 473	15 457	75.5%	-
12 731	100.0%	12 731	8 666	68.1%	3 000
-	0.0%	-	-	0.0%	13 347
7 634	100.0%	7 634	7 634	100.0%	3 000
86 956	100.0%	86 956	86 956	100.0%	79 430
23 646	100.0%	23 646	23 646	100.0%	6 318
-	0.0%	-	-	0.0%	13 245
39 744	100.0%	39 744	19 292	48.5%	5 261
10 381	100.0%	10 381	8 216	79.1%	-
15 085	100.0%	15 085	15 085	100.0%	6 947
27 470	32.8%	27 470	13 689	49.8%	74 266
26 185	100.0%	26 185	26 185	100.0%	24 418
-	0.0%	-	-	0.0%	14 162
31 926	100.0%	31 926	31 926	100.0%	17 491
20 399	100.0%	20 399	20 399	100.0%	26 754
15 253	100.0%	15 253	15 253	100.0%	11 110
50 946	100.0%	50 946	50 946	100.0%	52 684
16 382	100.0%	16 382	16 382	100.0%	3 000
20 447	100.0%	20 447	12 491	61.1%	13 828
19 082	100.0%	19 082	19 082	100.0%	17 254
22 894	100.0%	22 894	22 894	100.0%	19 981
16 631	100.0%	16 631	16 631	100.0%	14 172
13 826	100.0%	13 826	12 941	93.6%	8 341
-	0.0%	-	-	0.0%	3 000
507 633	90.0%	507 633	452 820	89.2%	434 913
236 006	92.2%	236 006	237 591	100.7%	222 050
274 522	96.5%	274 522	256 017	93.3%	247 721
200 698	100.0%	200 698	175 657	87.5%	182 126
6 145	100.0%	6 145	5 688	92.6%	-
13 018	100.0%	13 018	6 567	50.4%	-

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Gauteng continued				
Metsweding District Municipality	-	-	-	-
Emfuleni	57 073	-	-	57 073
Midvaal	7 217	-	-	7 217
Lesedi	10 504	-	-	10 504
Sedibeng District Municipality	-	-	-	-
Mogale City	28 998	-	-	28 998
Randfontein	10 967	-	-	10 967
Westonaria	23 406	-	-	23 406
West Rand District Municipality	-	-	-	-
	898 554	-	-	898 554

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant KwaZulu-Natal				
eThekweni	304 940	-	-	304 940
Vulamehlo	3 222	-	-	3 222
Umdoni	3 008	-	-	3 008
Umzumbe	7 993	-	-	7 993
uMuziwabantu	3 908	-	-	3 908
Ezinqolweni	2 192	-	-	2 192
Hibiscus Coast	8 304	-	-	8 304
Ugu District Municipality	100 360	-	-	100 360
uMshwathi	3 927	-	-	3 927
uMngeni	3 144	-	-	3 144
Msunduzi	51 647	-	-	51 647
Mkhambathini	-	-	-	-
Richmond	3 210	-	-	3 210
uMgungundlovu District Municipality	38 847	-	-	38 847
Emnambithi/Ladysmith	8 294	-	-	8 294
Indaka	4 613	-	-	4 613
Okhahlamba	5 634	-	-	5 634
Imbabazane	4 832	-	-	4 832
Uthukela District Municipality	63 988	-	-	63 988
Nquthu	6 435	-	-	6 435
Msinga	6 847	-	-	6 847
Umvoti	3 738	-	-	3 738
Umzinyathi District Municipality	68 985	-	-	68 985
Newcastle	29 249	-	-	29 249

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
-	0.0%	-	-	0.0%	20 323
27 776	48.7%	27 776	22 355	80.5%	46 279
7 217	100.0%	7 217	7 217	100.0%	6 551
10 504	100.0%	10 504	10 504	100.0%	10 997
-	0.0%	-	-	0.0%	11 000
28 998	100.0%	28 998	27 937	96.3%	26 646
10 967	100.0%	10 967	10 967	100.0%	9 687
23 406	100.0%	23 406	23 406	100.0%	25 552
-	0.0%	-	-	0.0%	2 029
839 257	93.4%	839 257	783 906	93.4%	810 961

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
304 940	100.0%	304 940	304 940	100.0%	260 311
3 222	100.0%	3 222	3 222	100.0%	-
3 008	100.0%	3 008	3 008	100.0%	5 173
7 993	100.0%	7 993	2 807	35.1%	-
2 725	69.7%	2 725	625	22.9%	-
2 192	100.0%	2 192	1 914	87.3%	-
7 830	94.3%	7 830	6 670	85.2%	17 571
100 360	100.0%	100 360	100 360	100.0%	95 091
3 927	100.0%	3 927	3 314	84.4%	-
3 144	100.0%	3 144	3 144	100.0%	2 863
51 647	100.0%	51 647	30 274	58.6%	44 246
-	0.0%	-	-	0.0%	2 141
1 214	37.8%	1 214	2 313	190.5%	-
38 847	100.0%	38 847	29 356	75.6%	46 604
8 294	100.0%	8 294	8 294	100.0%	6 805
4 613	100.0%	4 613	2 460	53.3%	-
5 634	100.0%	5 634	5 540	98.3%	-
4 832	100.0%	4 832	4 832	100.0%	-
63 988	100.0%	63 988	63 988	100.0%	64 150
6 435	100.0%	6 435	6 435	100.0%	-
4 766	69.6%	4 766	4 868	102.1%	-
547	14.6%	547	85	15.5%	4 249
68 985	100.0%	68 985	68 985	100.0%	77 205
29 249	100.0%	29 249	29 249	100.0%	23 535

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Dannhauser	3 998	-	-	3 998
Municipal Infrastructure Grant KwaZulu-Natal continued				
Amajuba District Municipality	16 212	-	-	16 212
eDumbe	2 887	-	-	2 887
uPhongolo	4 622	-	-	4 622
Abaqulusi	6 416	-	-	6 416
Nongoma	6 370	-	-	6 370
Ulundi	6 859	-	-	6 859
Zululand District Municipality	95 241	-	-	95 241
Umhlabuyalingana	5 796	-	-	5 796
Jozini	7 625	-	-	7 625
Hlabisa	4 990	-	-	4 990
Umkhanyakude District Municipality	81 075	-	-	81 075
Mbonambi	3 628	-	-	3 628
uMhlathuze	28 040	-	-	28 040
Umlalazi	6 977	-	-	6 977
Mthonjaneni	2 035	-	-	2 035
Nkandla	5 091	-	-	5 091
uThungulu District Municipality	71 223	-	-	71 223
eNdongakusuka	6 492	-	-	6 492
KwaDukuza	9 846	-	-	9 846
Ndwedwe	6 080	-	-	6 080
Maphumulo	4 660	-	-	4 660
Ilembe District Municipality	60 799	-	-	60 799
Ingwe	4 526	-	-	4 526
Greater Kokstad	4 251	-	-	4 251
Ubuhlebezwe	4 886	-	-	4 886
Umzimkhulu	7 666	-	-	7 666
Sisonke District Municipality	56 804	-	-	56 804
	1 262 412	-	-	1 262 412
Limpopo				
Makhuduthamaga	12 069	-	-	12 069
Fetakgomo	4 733	-	-	4 733
Greater Marble Hall	5 084	-	-	5 084
Greater Groblersdal	9 873	-	-	9 873
Greater Tubatse	12 992	-	-	12 992
Greater Sekhukhune District Municipality	168 647	-	-	168 647
Bohlabela District Municipality	-	-	-	-
Greater Giyani	10 264	-	-	10 264
Greater Letaba	11 571	-	-	11 571
Greater Tzaneen	17 452	-	-	17 452

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
3 998	100.0%	3 998	3 998	100.0%	-
16 212	100.0%	16 212	16 212	100.0%	17 525
2 887	100.0%	2 887	2 821	97.7%	-
4 622	100.0%	4 622	4 622	100.0%	-
3 000	46.8%	3 000	5 923	197.4%	-
6 370	100.0%	6 370	432	6.8%	-
6 859	100.0%	6 859	1 322	19.3%	-
95 241	100.0%	95 241	95 241	100.0%	124 755
5 796	100.0%	5 796	5 580	96.3%	5 290
7 625	100.0%	7 625	6 184	81.1%	-
4 990	100.0%	4 990	1 592	31.9%	-
81 075	100.0%	81 075	81 075	100.0%	83 545
3 068	84.6%	3 068	3 628	118.3%	3 675
28 040	100.0%	28 040	28 040	100.0%	25 533
6 977	100.0%	6 977	1 256	18.0%	-
2 035	100.0%	2 035	1 690	83.0%	-
5 091	100.0%	5 091	411	8.1%	4 909
71 223	100.0%	71 223	71 223	100.0%	77 691
6 492	100.0%	6 492	6 492	100.0%	-
9 846	100.0%	9 846	6 234	63.3%	9 124
1 975	32.5%	1 975	3 068	155.3%	-
3 932	84.4%	3 932	-	0.0%	4 274
60 799	100.0%	60 799	55 010	90.5%	66 991
4 526	100.0%	4 526	1 600	35.4%	4 099
4 251	100.0%	4 251	4 247	99.9%	3 509
4 886	100.0%	4 886	438	9.0%	-
7 666	100.0%	7 666	5 373	70.1%	6 843
56 804	100.0%	56 804	56 804	100.0%	35 414
1 244 678	98.6%	1 244 678	1 157 199	93.0%	1 123 121
12 069	100.0%	12 069	11 375	94.2%	10 135
4 733	100.0%	4 733	4 733	100.0%	-
5 084	100.0%	5 084	2 486	48.9%	-
9 873	100.0%	9 873	4 718	47.8%	8 414
12 992	100.0%	12 992	12 992	100.0%	-
168 647	100.0%	168 647	151 083	89.6%	153 289
-	0.0%	-	-	0.0%	94 922
10 264	100.0%	10 264	10 264	100.0%	-
11 571	100.0%	11 571	11 571	100.0%	-
17 452	100.0%	17 452	17 452	100.0%	16 456

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Limpopo continued				
Ba-Phalaborwa	4 766	-	-	4 766
Maruleng	4 193	-	-	4 193
Mopani District Municipality	110 292	-	-	110 292
Musina	2 584	-	-	2 584
Mutale	3 422	-	-	3 422
Thulamela	23 705	-	-	23 705
Makhado	21 247	-	-	21 247
Vhembe District Municipality	124 467	-	-	124 467
Blouberg	8 346	-	-	8 346
Aganang	6 743	-	-	6 743
Molemole	5 875	-	-	5 875
Polokwane	77 725	-	-	77 725
Lepelle-Nkumpi	9 734	-	-	9 734
Capricorn District Municipality	74 997	-	-	74 997
Thabazimbi	12 322	-	-	12 322
Lephalale	12 818	-	-	12 818
Mookgopong	3 226	-	-	3 226
Modimolle	12 068	-	-	12 068
Bela Bela	4 076	-	-	4 076
Mogalakwena	45 972	-	-	45 972
Waterberg District Municipality	-	-	-	-
	821 263	-	-	821 263

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Mpumalanga				
Albert Luthuli	25 723	-	-	25 723
Msukaligwa	11 694	-	-	11 694
Mkhondo	18 306	-	-	18 306
Pixley Ka Seme	8 817	-	-	8 817
Lekwa	12 805	-	-	12 805
Dipaleseng	5 089	-	-	5 089
Govan Mbeki	29 906	-	-	29 906
Gert Sibande District Municipality	-	-	-	-
Delmas	6 221	-	-	6 221
Emalahleni	30 921	-	-	30 921
Steve Tshwete	10 696	-	-	10 696
Emakhazeni	3 052	-	-	3 052

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
4 766	100.0%	4 766	4 766	100.0%	-
4 193	100.0%	4 193	4 193	100.0%	-
110 292	100.0%	110 292	110 292	100.0%	98 257
2 584	100.0%	2 584	2 584	100.0%	-
3 422	100.0%	3 422	2 922	85.4%	-
23 705	100.0%	23 705	23 705	100.0%	20 969
21 247	100.0%	21 247	20 874	98.2%	18 442
95 967	77.1%	95 967	78 374	81.7%	86 737
8 346	100.0%	8 346	7 310	87.6%	-
6 743	100.0%	6 743	5 989	88.8%	-
2 635	44.9%	2 635	3 376	128.1%	-
50 925	65.5%	50 925	44 298	87.0%	69 081
9 734	100.0%	9 734	7 775	79.9%	-
74 997	100.0%	74 997	66 498	88.7%	78 824
12 322	100.0%	12 322	12 322	100.0%	-
12 818	100.0%	12 818	12 818	100.0%	12 639
3 226	100.0%	3 226	3 226	100.0%	3 710
12 068	100.0%	12 068	12 068	100.0%	-
4 076	100.0%	4 076	4 076	100.0%	3 992
45 972	100.0%	45 972	45 972	100.0%	-
-	0.0%	-	-	0.0%	51 902
762 723	92.9%	762 723	700 112	91.8%	727 769

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
13 800	53.6%	13 800	12 184	88.3%	19 416
11 694	100.0%	11 694	4 277	36.6%	-
18 306	100.0%	18 306	10 615	58.0%	-
8 817	100.0%	8 817	8 817	100.0%	7 566
9 605	75.0%	9 605	7 243	75.4%	10 125
5 089	100.0%	5 089	5 089	100.0%	-
29 906	100.0%	29 906	24 219	81.0%	37 504
-	0.0%	-	-	0.0%	50 208
6 221	100.0%	6 221	6 220	100.0%	5 610
30 921	100.0%	30 921	22 434	72.6%	32 462
7 571	70.8%	7 571	7 805	103.1%	10 138
3 052	100.0%	3 052	2 843	93.2%	-

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Mumalanga continued				
Thembisile	35 631	-	-	35 631
Dr JS Moroka	36 582	-	-	36 582
Nkangala District Municipality	-	-	-	-
Thaba Chweu	8 866	-	-	8 866
Mbombela	65 189	-	-	65 189
Umjindi	7 030	-	-	7 030
Nkomazi	44 602	-	-	44 602
Bushbuckridge	91 212	-	-	91 212
Ehlanzeni District Municipality	17 942	-	-	17 942
	470 284	-	-	470 284

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Northern Cape				
Moshaweng	15 057	-	-	15 057
Ga-Segonyana	10 293	-	-	10 293
Kgalagadi District Municipality	7 706	-	-	7 706
Nama Khoi	8 355	-	-	8 355
Kamiesberg	409	-	-	409
Hantam	3 128	-	-	3 128
Karoo Hoogland	-	-	-	-
Khai-Ma	-	-	-	-
Namakwa District Municipality	4 568	-	17 899	22 467
Ubuntu	1 445	-	-	1 445
Umsobomvu	7 524	-	-	7 524
Emthanjeni	2 357	-	-	2 357
Kareeberg	3 470	-	-	3 470
Renosterberg	4 720	-	-	4 720
Thembelihle	1 085	-	-	1 085
Siyathemba	3 326	-	-	3 326
Siyancuma	3 902	-	-	3 902
Pixley Ka Seme District Municipality	6 215	-	7 824	14 039
Mier	-	-	-	-
!Kai! Garib	4 124	-	-	4 124
//Khara Hais	6 033	-	-	6 033
Tsantsabane	-	-	-	-
Kgatelopele	-	-	-	-
Siyanda District Municipality	5 870	-	-	5 870

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
35 631	100.0%	35 631	9 255	26.0%	-
33 854	92.5%	33 854	23 750	70.2%	31 397
-	0.0%	-	-	0.0%	34 617
8 866	100.0%	8 866	8 866	100.0%	-
56 989	87.4%	56 989	40 751	71.5%	58 729
7 030	100.0%	7 030	6 831	97.2%	8 042
17 902	40.1%	17 902	15 669	87.5%	17 460
91 212	100.0%	91 212	24 777	27.2%	-
17 942	100.0%	17 942	13 232	73.7%	37 232
414 408	88.1%	414 408	254 877	61.5%	360 506

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
15 057	100.0%	15 057	13 323	88.5%	-
10 293	100.0%	10 293	10 293	100.0%	16 749
7 706	100.0%	7 706	7 706	100.0%	37 361
8 355	100.0%	8 355	8 355	100.0%	8 527
409	100.0%	409	-	0.0%	-
3 128	100.0%	3 128	3 020	96.5%	-
-	0.0%	-	-	0.0%	196
-	0.0%	-	-	0.0%	752
3 668	16.3%	3 668	3 117	85.0%	5 579
1 445	100.0%	1 445	789	54.6%	-
7 524	100.0%	7 524	5 410	71.9%	-
2 357	100.0%	2 357	1 014	43.0%	-
3 470	100.0%	3 470	-	0.0%	-
4 720	100.0%	4 720	1 618	34.3%	-
1 085	100.0%	1 085	1 085	100.0%	-
3 326	100.0%	3 326	3 303	99.3%	-
902	23.1%	902	61	6.8%	6 532
10 214	72.8%	10 214	9 557	93.6%	22 620
-	0.0%	-	-	0.0%	338
2 124	51.5%	2 124	2 124	100.0%	599
6 033	100.0%	6 033	2 758	45.7%	3 000
-	0.0%	-	-	0.0%	7 473
-	0.0%	-	-	0.0%	203
3 370	57.4%	3 370	3 370	100.0%	16 873

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Nothorn Cape continued				
Sol Plaatje	16 983	-	-	16 983
Dikgatlong	4 815	-	-	4 815
Magareng	2 797	-	-	2 797
Phokwane	6 741	-	-	6 741
Frances Baard District Municipality	-	-	-	-
	130 923	-	25 723	156 646

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant North West				
Moretele	34 175	-	-	34 175
Madibeng	67 720	-	-	67 720
Rustenburg	69 010	-	-	69 010
Kgetlengrivier	6 464	-	-	6 464
Moses Kotane	41 184	-	-	41 184
Bojanala Platinum District Municipality	-	-	-	-
Ratlou	5 171	-	-	5 171
Tswaing	6 413	-	-	6 413
Mafikeng	12 593	-	-	12 593
Ditsobotla	8 310	-	-	8 310
Zeerust	7 107	-	-	7 107
Central District Municipality	69 231	-	-	69 231
Kagisano	4 443	-	-	4 443
Naledi	2 571	-	-	2 571
Mamusa	3 338	-	-	3 338
Greater Taung	8 988	-	11 451	20 439
Lekwa-Teemane	3 073	-	-	3 073
Bophirima District Municipality	37 648	-	-	37 648
Ventersdorp	6 017	-	-	6 017
Potchefstroom	12 083	-	-	12 083
Klerksdorp	63 335	-	-	63 335
Maquassi Hills	27 447	-	-	27 447
Merafong City	29 253	-	-	29 253
Southern District Municipality	-	-	-	-
	525 574	-	11 451	537 025

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
16 983	100.0%	16 983	16 675	98.2%	23 753
4 815	100.0%	4 815	4 815	100.0%	3 000
1 000	35.8%	1 000	368	36.8%	-
6 741	100.0%	6 741	2 651	39.3%	6 929
-	0.0%	-	-	0.0%	11 700
124 725	79.6%	124 725	101 412	81.3%	172 184

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
34 175	100.0%	34 175	22 568	66.0%	29 397
67 720	100.0%	67 720	67 720	100.0%	64 167
33 189	48.1%	33 189	16 229	48.9%	57 898
6 464	100.0%	6 464	6 464	100.0%	-
41 184	100.0%	41 184	36 651	89.0%	34 845
-	0.0%	-	-	0.0%	14 939
5 171	100.0%	5 171	5 171	100.0%	-
3 393	52.9%	3 393	6 412	189.0%	-
12 593	100.0%	12 593	12 593	100.0%	11 423
8 310	100.0%	8 310	8 135	97.9%	-
7 107	100.0%	7 107	7 107	100.0%	-
69 231	100.0%	69 231	69 231	100.0%	71 630
4 443	100.0%	4 443	3 883	87.4%	4 218
2 571	100.0%	2 571	2 571	100.0%	-
3 338	100.0%	3 338	3 254	97.5%	2 844
18 988	92.9%	18 988	18 598	97.9%	7 594
3 073	100.0%	3 073	2 172	70.7%	-
37 648	100.0%	37 648	31 119	82.7%	40 808
6 017	100.0%	6 017	6 017	100.0%	6 301
12 083	100.0%	12 083	7 059	58.4%	10 780
63 335	100.0%	63 335	63 335	100.0%	52 137
27 447	100.0%	27 447	27 447	100.0%	8 173
29 253	100.0%	29 253	29 253	100.0%	30 453
-	0.0%	-	-	0.0%	5 100
496 733	92.5%	496 733	452 989	91.2%	452 707

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant Western Cape				
City of Cape Town	1 96 657	-	-	1 96 657
Matzikama	5 729	-	-	5 729
Cederberg	2 000	-	-	2 000
Saldanha Bay	2 928	-	-	2 928
Swartland	3 556	-	-	3 556
West Coast District Municipality	4 329	-	-	4 329
Witzenberg	3 795	-	-	3 795
Drakenstein	9 822	-	-	9 822
Stellenbosch	9 407	-	-	9 407
Breede Valley	6 906	-	-	6 906
Breede River Winelands	4 224	-	1 428	5 652
Cape Winelands District Municipality	-	-	-	-
Theewaterskloof	6 673	-	1 099	7 772
Overstrand	4 575	-	-	4 575
Overberg District Municipality	2 411	-	-	2 411
Kannaland	3 818	-	800	4 618
Hessequa	-	-	18 914	18 914
Mossel Bay	5 750	-	19 937	25 687
George	9 461	-	26 050	35 511
Oudtshoorn	3 609	-	7 000	10 609
Bitou	2 602	-	1 076	3 678
Knysna	5 968	-	31 819	37 787
Eden District Municipality	6 708	-	5 768	12 476
Prince Albert	-	-	232	232
Central Karoo District Municipality	3 209	-	-	3 209
	304 137	-	114 123	418 260
Total	6 265 300	-	490 848	6 756 148
Total of conditional grants	6 465 300	-	490 848	6 956 148

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
R'000	%	R'000	R'000	%	R'000
196 657	100.0%	196 657	196 657	100.0%	167 803
5 729	100.0%	5 729	5 437	94.9%	3 078
2 000	100.0%	2 000	2 000	100.0%	4 031
2 928	100.0%	2 928	2 928	100.0%	2 553
3 556	100.0%	3 556	3 556	100.0%	4 598
4 329	100.0%	4 329	4 311	99.6%	5 504
3 795	100.0%	3 795	3 694	97.3%	-
9 822	100.0%	9 822	9 822	100.0%	9 527
9 407	100.0%	9 407	8 192	87.1%	10 138
6 906	100.0%	6 906	6 906	100.0%	6 325
5 652	100.0%	5 652	4 828	85.4%	3 551
-	0.0%	-	-	0.0%	3 955
7 772	100.0%	7 772	5 082	65.4%	8 134
4 575	100.0%	4 575	4 575	100.0%	3 002
2 411	100.0%	2 411	2 411	100.0%	3 857
4 618	100.0%	4 618	4 618	100.0%	-
18 914	100.0%	18 914	-	0.0%	400
25 687	100.0%	25 687	10 350	40.3%	3 477
35 511	100.0%	35 511	9 461	26.6%	8 205
10 609	100.0%	10 609	8 133	76.7%	6 162
3 678	100.0%	3 678	2 602	70.7%	6 271
37 787	100.0%	37 787	17 278	45.7%	6 012
12 476	100.0%	12 476	8 591	68.9%	4 302
232	100.0%	232	-	0.0%	-
3 209	100.0%	3 209	3 209	100.0%	26 141
418 260	100.0%	418 260	324 641	77.6%	297 026
5 938 409	87.9%	5 938 409	5 210 038	87.7%	5 436 161
6 138 409	88.2%	6 138 409	5 303 231	86.4%	5 947 161

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1C

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Eastern Cape				
Nelson Mandela	487 471	-	-	487 471
Camdeboo	11 875	-	-	11 875
Blue Crane Route	12 857	-	-	12 857
Ikwezi	4 985	-	-	4 985
Makana	22 243	-	-	22 243
Ndlambe	18 451	-	-	18 451
Sundays River Valley	11 469	-	-	11 469
Baviaans	5 192	-	-	5 192
Kouga	16 312	-	-	16 312
Koukamma	9 478	-	-	9 478
Cacadu District Municipality	41 735	-	-	41 735
Mbhashe	43 840	-	-	43 840
Mnquma	50 986	-	-	50 986
Great Kei	10 069	-	-	10 069
Amahlathi	28 417	-	-	28 417
Buffalo City	213 344	-	-	213 344
Ngqushwa	19 470	-	-	19 470
Nkonkobe	29 592	-	-	29 592
Nxuba	6 732	-	-	6 732
Amatole District Municipality	239 569	-	-	239 569
Inxuba Yethemba	13 033	-	-	13 033
Tsolwana	8 114	-	-	8 114
Inkwanca	5 769	-	-	5 769
Lukhanji	34 974	-	-	34 974
Intsika Yethu	37 913	-	-	37 913
Emalahleni	22 609	-	-	22 609
Engcobo	26 902	-	-	26 902
Sakhisizwe	11 369	-	-	11 369
Chris Hani District Municipality	120 018	-	-	120 018
Elundini	28 578	-	-	28 578
Senqu	27 650	-	-	27 650
Maletswai	7 493	-	-	7 493
Gariep	7 922	-	-	7 922
Ukhahlamba District Municipality	57 631	-	-	57 631
Mbizana	37 802	-	-	37 802
Ntabankulu	24 308	-	-	24 308
Qaukeni	41 215	-	-	41 215
Port St Johns	25 726	-	-	25 726
Nyandeni	45 643	-	-	45 643

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
487 471	100.0%	487 471	-	0.0%	205 630
11 875	100.0%	11 875	-	0.0%	9 786
12 857	100.0%	12 857	-	0.0%	10 948
4 985	100.0%	4 985	-	0.0%	4 163
22 243	100.0%	22 243	-	0.0%	18 321
18 451	100.0%	18 451	-	0.0%	15 364
11 469	100.0%	11 469	-	0.0%	10 022
5 192	100.0%	5 192	-	0.0%	4 399
16 312	100.0%	16 312	-	0.0%	13 435
9 478	100.0%	9 478	-	0.0%	8 148
41 735	100.0%	41 735	-	0.0%	3 374
43 840	100.0%	43 840	-	0.0%	40 853
50 986	100.0%	50 986	-	0.0%	44 857
10 069	100.0%	10 069	-	0.0%	8 813
28 417	100.0%	28 417	-	0.0%	24 214
213 344	100.0%	213 344	-	0.0%	191 519
19 470	100.0%	19 470	-	0.0%	16 973
29 592	100.0%	29 592	-	0.0%	24 997
6 732	100.0%	6 732	-	0.0%	5 756
239 569	100.0%	239 569	-	0.0%	95 063
13 033	100.0%	13 033	-	0.0%	10 608
8 114	100.0%	8 114	-	0.0%	7 101
5 769	100.0%	5 769	-	0.0%	4 919
34 974	100.0%	34 974	-	0.0%	28 849
37 913	100.0%	37 913	-	0.0%	37 054
22 609	100.0%	22 609	-	0.0%	21 364
26 902	100.0%	26 902	-	0.0%	24 982
11 369	100.0%	11 369	-	0.0%	10 075
120 018	100.0%	120 018	-	0.0%	89 813
28 578	100.0%	28 578	-	0.0%	25 190
27 650	100.0%	27 650	-	0.0%	24 685
7 493	100.0%	7 493	-	0.0%	6 374
7 922	100.0%	7 922	-	0.0%	6 820
57 631	100.0%	57 631	-	0.0%	45 684
37 802	100.0%	37 802	-	0.0%	34 371
24 308	100.0%	24 308	-	0.0%	21 384
41 215	100.0%	41 215	-	0.0%	36 740
25 726	100.0%	25 726	-	0.0%	24 716
45 643	100.0%	45 643	-	0.0%	42 199

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE IC

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Eastern Cape (continued)				
Mhlontlo	35 261	-	-	35 261
King Sabata Dalindyebo	55 092	-	-	55 092
O.R. Tambo District Municipality	190 354	-	-	190 354
Umzimvubu	66 629	-	-	66 629
Matatiele	18 598	-	-	18 598
Alfred Nzo District Municipality	73 495	-	-	73 495
	2 308 185	-	-	2 308 185

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Free State				
Letsemeng	16 455	-	-	16 455
Kopanong	28 863	-	-	28 863
Mohokare	16 658	-	-	16 658
Xhariep District Municipality	7 158	-	-	7 158
Naledi	12 258	-	-	12 258
Mangaung	196 823	-	-	196 823
Mantsopa	21 851	-	-	21 851
Motheo District Municipality	91 518	-	-	91 518
Masilonyana	27 178	-	-	27 178
Tokologo	14 080	-	-	14 080
Tswelopele	19 863	-	-	19 863
Matjhabeng	143 647	-	-	143 647
Nala	44 769	-	-	44 769
Lejweleputswa District Municipality	53 531	-	-	53 531
Setsoto	53 830	-	-	53 830
Dihlabeng	42 599	-	-	42 599
Nketoana	25 302	-	-	25 302
Maluti-a-Phofung	109 268	-	-	109 268
Phumelela	18 130	-	-	18 130
Thabo Mofutsanyana District Municipality	38 853	-	-	38 853
Moqhaka	53 711	-	-	53 711
Ngwathe	50 452	-	-	50 452
Metsimaholo	32 095	-	-	32 095
Mafube	24 873	-	-	24 873
Fezile Dabi District Municipality	78 264	-	-	78 264
	1 222 029	-	-	1 222 029

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
35 261	100.0%	35 261	-	0.0%	32 060
55 092	100.0%	55 092	-	0.0%	57 257
190 354	100.0%	190 354	-	0.0%	153 236
66 629	100.0%	66 629	-	0.0%	64 870
18 598	100.0%	18 598	-	0.0%	4 155
73 495	100.0%	73 495	-	0.0%	61 825
2 308 185	100.0%	2 308 185	-	0.0%	1 632 966

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
16 455	100.0%	16 455	-	0.0%	13 892
28 863	100.0%	28 863	-	0.0%	23 848
16 658	100.0%	16 658	-	0.0%	14 934
7 158	100.0%	7 158	-	0.0%	3 139
12 258	100.0%	12 258	-	0.0%	10 709
196 823	100.0%	196 823	-	0.0%	175 080
21 851	100.0%	21 851	-	0.0%	18 434
91 518	100.0%	91 518	-	0.0%	1 072
27 178	100.0%	27 178	-	0.0%	23 852
14 080	100.0%	14 080	-	0.0%	11 907
19 863	100.0%	19 863	-	0.0%	18 126
143 647	100.0%	143 647	-	0.0%	124 581
44 769	100.0%	44 769	-	0.0%	37 224
53 531	100.0%	53 531	-	0.0%	1 784
53 830	100.0%	53 830	-	0.0%	45 181
42 599	100.0%	42 599	-	0.0%	34 813
25 302	100.0%	25 302	-	0.0%	22 840
109 268	100.0%	109 268	-	0.0%	105 417
18 130	100.0%	18 130	-	0.0%	15 497
38 853	100.0%	38 853	-	0.0%	12 930
53 711	100.0%	53 711	-	0.0%	44 963
50 452	100.0%	50 452	-	0.0%	42 120
32 095	100.0%	32 095	-	0.0%	27 364
24 873	100.0%	24 873	-	0.0%	20 658
78 264	100.0%	78 264	-	0.0%	1 687
1 222 029	100.0%	1 222 029	-	0.0%	852 052

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Gauteng				
Ekurhuleni	1 191 332	-	-	1 191 332
City of Johannesburg	2 252 848	-	-	2 252 848
City of Tshwane	1 002 650	-	-	1 002 650
Nokeng tsa Taamane	12 036	-	-	12 036
Kungwini	29 080	-	-	29 080
Metsweding District Municipality	14 987	-	-	14 987
Emfuleni	193 117	-	-	193 117
Midvaal	16 306	-	-	16 306
Lesedi	19 854	-	-	19 854
Sedibeng District Municipality	140 377	-	-	140 377
Mogale City	68 281	-	-	68 281
Randfontein	31 249	-	-	31 249
Westonaria	44 335	-	-	44 335
West Rand District Municipality	91 303	-	-	91 303
	5 107 755	-	-	5 107 755

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share KwaZulu-Natal				
eThekweni	1 133 276	-	-	1 133 276
Vulamehlo	14 893	-	-	14 893
Umdoni	8 932	-	-	8 932
Umzumbe	31 058	-	-	31 058
uMuziwabantu	16 439	-	-	16 439
Ezinqolweni	10 490	-	-	10 490
Hibiscus Coast	29 551	-	-	29 551
Ugu District Municipality	90 521	-	-	90 521
uMshwathi	20 499	-	-	20 499
uMngeni	12 061	-	-	12 061
Mooi Mpofana	7 446	-	-	7 446
Impendle	7 957	-	-	7 957
Msunduzi	119 512	-	-	119 512
Mkhambathini	12 411	-	-	12 411
Richmond	11 888	-	-	11 888
uMgungundlovu District Municipality	134 121	-	-	134 121
Emnambithi/Ladysmith	34 480	-	-	34 480
Indaka	18 566	-	-	18 566

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
1 191 332	100.0%	1 191 332	-	0.0%	472 390
2 252 848	100.0%	2 252 848	-	0.0%	540 664
1 002 650	100.0%	1 002 650	-	0.0%	269 741
12 036	100.0%	12 036	-	0.0%	10 409
29 080	100.0%	29 080	-	0.0%	24 372
14 987	100.0%	14 987	-	0.0%	1 600
193 117	100.0%	193 117	-	0.0%	160 060
16 306	100.0%	16 306	-	0.0%	13 629
19 854	100.0%	19 854	-	0.0%	15 965
140 377	100.0%	140 377	-	0.0%	1 023
68 281	100.0%	68 281	-	0.0%	58 667
31 249	100.0%	31 249	-	0.0%	25 422
44 335	100.0%	44 335	-	0.0%	38 523
91 303	100.0%	91 303	-	0.0%	1 894
5 107 755	100.0%	5 107 755	-	0.0%	1 634 359

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
1 133 276	100.0%	1 133 276	-	0.0%	535 540
14 893	100.0%	14 893	-	0.0%	13 247
8 932	100.0%	8 932	-	0.0%	7 314
31 058	100.0%	31 058	-	0.0%	26 958
16 439	100.0%	16 439	-	0.0%	14 612
10 490	100.0%	10 490	-	0.0%	9 437
29 551	100.0%	29 551	-	0.0%	26 067
90 521	100.0%	90 521	-	0.0%	57 169
20 499	100.0%	20 499	-	0.0%	17 806
12 061	100.0%	12 061	-	0.0%	10 082
7 446	100.0%	7 446	-	0.0%	6 513
7 957	100.0%	7 957	-	0.0%	6 995
119 512	100.0%	119 512	-	0.0%	104 671
12 411	100.0%	12 411	-	0.0%	10 813
11 888	100.0%	11 888	-	0.0%	10 502
134 121	100.0%	134 121	-	0.0%	41 406
34 480	100.0%	34 480	-	0.0%	28 473
18 566	100.0%	18 566	-	0.0%	16 117

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share KwaZulu-Natal (continued)				
Umtshezi	9 564	-	-	9 564
Okhahlamba	21 449	-	-	21 449
Imbabazane	19 817	-	-	19 817
Uthukela District Municipality	87 242	-	-	87 242
Endumeni	8 564	-	-	8 564
Nquthu	22 247	-	-	22 247
Msinga	28 918	-	-	28 918
Umvoti	16 708	-	-	16 708
Umzinyathi District Municipality	59 221	-	-	59 221
Newcastle	90 042	-	-	90 042
Utrecht	6 081	-	-	6 081
Dannhauser	15 367	-	-	15 367
Amajuba District Municipality	40 702	-	-	40 702
eDumbe	12 950	-	-	12 950
uPhongolo	20 555	-	-	20 555
Abaqulusi	24 242	-	-	24 242
Nongoma	26 641	-	-	26 641
Ulundi	29 703	-	-	29 703
Zululand District Municipality	87 541	-	-	87 541
Umhlabuyalingana	22 222	-	-	22 222
Jozini	28 026	-	-	28 026
The Big Five False Bay	7 328	-	-	7 328
Hlabisa	22 135	-	-	22 135
Mtubatuba	6 418	-	-	6 418
Umkhanyakude District Municipality	61 982	-	-	61 982
Mbonambi	16 077	-	-	16 077
uMhlathuze	61 266	-	-	61 266
Ntambanana	9 675	-	-	9 675
Umlalazi	32 935	-	-	32 935
Mthonjaneni	11 266	-	-	11 266
Nkandla	22 301	-	-	22 301
uThungulu District Municipality	127 361	-	-	127 361
eNdongakusuka	20 870	-	-	20 870
KwaDukuza	22 271	-	-	22 271
Ndwedwe	25 013	-	-	25 013
Maphumulo	19 581	-	-	19 581
Ilembe District Municipality	83 315	-	-	83 315
Ingwe	19 139	-	-	19 139
Kwa Sani	5 040	-	-	5 040
Greater Kokstad	15 055	-	-	15 055

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
9 564	100.0%	9 564	-	0.0%	8 630
21 449	100.0%	21 449	-	0.0%	18 974
19 817	100.0%	19 817	-	0.0%	16 977
87 242	100.0%	87 242	-	0.0%	57 320
8 564	100.0%	8 564	-	0.0%	7 060
22 247	100.0%	22 247	-	0.0%	19 778
28 918	100.0%	28 918	-	0.0%	25 268
16 708	100.0%	16 708	-	0.0%	14 779
59 221	100.0%	59 221	-	0.0%	42 506
90 042	100.0%	90 042	-	0.0%	75 432
6 081	100.0%	6 081	-	0.0%	5 216
15 367	100.0%	15 367	-	0.0%	13 363
40 702	100.0%	40 702	-	0.0%	11 263
12 950	100.0%	12 950	-	0.0%	11 441
20 555	100.0%	20 555	-	0.0%	18 303
24 242	100.0%	24 242	-	0.0%	20 684
26 641	100.0%	26 641	-	0.0%	23 546
29 703	100.0%	29 703	-	0.0%	26 311
87 541	100.0%	87 541	-	0.0%	60 769
22 222	100.0%	22 222	-	0.0%	19 347
28 026	100.0%	28 026	-	0.0%	24 345
7 328	100.0%	7 328	-	0.0%	6 374
22 135	100.0%	22 135	-	0.0%	18 763
6 418	100.0%	6 418	-	0.0%	5 764
61 982	100.0%	61 982	-	0.0%	48 599
16 077	100.0%	16 077	-	0.0%	13 713
61 266	100.0%	61 266	-	0.0%	54 196
9 675	100.0%	9 675	-	0.0%	8 411
32 935	100.0%	32 935	-	0.0%	28 690
11 266	100.0%	11 266	-	0.0%	10 139
22 301	100.0%	22 301	-	0.0%	19 516
127 361	100.0%	127 361	-	0.0%	41 816
20 870	100.0%	20 870	-	0.0%	18 559
22 271	100.0%	22 271	-	0.0%	20 154
25 013	100.0%	25 013	-	0.0%	21 764
19 581	100.0%	19 581	-	0.0%	17 257
83 315	100.0%	83 315	-	0.0%	46 096
19 139	100.0%	19 139	-	0.0%	16 855
5 040	100.0%	5 040	-	0.0%	4 406
15 055	100.0%	15 055	-	0.0%	12 881

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share KwaZulu-Natal (continued)				
Ubuhlebezwe	19 073	-	-	19 073
Unzimkhulu	29 615	-	-	29 615
Sisonke District Municipality	61 412	-	-	61 412
	3 091 031	-	-	3 091 031

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Limpopo				
Makhuduthamaga	44 113	-	-	44 113
Fetakgomo	16 531	-	-	16 531
Greater Marble Hall	21 395	-	-	21 395
Greater Groblersdal	40 658	-	-	40 658
Greater Tubatse	41 826	-	-	41 826
Greater Sekhukhune District Municipality	124 799	-	-	124 799
Bohlabela District Municipality	0	-	-	0
Greater Giyani	43 469	-	-	43 469
Greater Letaba	41 303	-	-	41 303
Greater Tzaneen	61 813	-	-	61 813
Ba-Phalaborwa	20 208	-	-	20 208
Maruleng	18 437	-	-	18 437
Mopani District Municipality	152 651	-	-	152 651
Musina	9 917	-	-	9 917
Mutale	16 477	-	-	16 477
Thulamela	81 513	-	-	81 513
Makhado	73 824	-	-	73 824
Vhembe District Municipality	158 204	-	-	158 204
Blouberg	27 660	-	-	27 660
Aganang	24 760	-	-	24 760
Molemole	23 256	-	-	23 256
Polokwane	125 598	-	-	125 598
Lepelle-Nkumpi	38 622	-	-	38 622
Capricorn District Municipality	141 824	-	-	141 824
Thabazimbi	19 792	-	-	19 792
Lephalale	29 891	-	-	29 891
Mookgopong	7 955	-	-	7 955
Modimolle	18 671	-	-	18 671
Bela Bela	14 875	-	-	14 875

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
19 073	100.0%	19 073	-	0.0%	16 527
29 615	100.0%	29 615	-	0.0%	26 633
61 412	100.0%	61 412	-	0.0%	36 380
3 091 031	100.0%	3 091 031	-	0.0%	1 958 527

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
44 113	100.0%	44 113	-	0.0%	37 445
16 531	100.0%	16 531	-	0.0%	14 191
21 395	100.0%	21 395	-	0.0%	18 664
40 658	100.0%	40 658	-	0.0%	34 654
41 826	100.0%	41 826	-	0.0%	36 727
124 799	100.0%	124 799	-	0.0%	89 361
0	0.0%	0	-	0.0%	41 039
43 469	100.0%	43 469	-	0.0%	40 926
41 303	100.0%	41 303	-	0.0%	35 746
61 813	100.0%	61 813	-	0.0%	56 410
20 208	100.0%	20 208	-	0.0%	18 585
18 437	100.0%	18 437	-	0.0%	16 000
152 651	100.0%	152 651	-	0.0%	96 367
9 917	100.0%	9 917	-	0.0%	8 603
16 477	100.0%	16 477	-	0.0%	14 946
81 513	100.0%	81 513	-	0.0%	76 298
73 824	100.0%	73 824	-	0.0%	67 823
158 204	100.0%	158 204	-	0.0%	111 122
27 660	100.0%	27 660	-	0.0%	24 522
24 760	100.0%	24 760	-	0.0%	21 276
23 256	100.0%	23 256	-	0.0%	19 828
125 598	100.0%	125 598	-	0.0%	111 076
38 622	100.0%	38 622	-	0.0%	32 923
141 824	100.0%	141 824	-	0.0%	62 120
19 792	100.0%	19 792	-	0.0%	17 155
29 891	100.0%	29 891	-	0.0%	25 780
7 955	100.0%	7 955	-	0.0%	6 872
18 671	100.0%	18 671	-	0.0%	16 159
14 875	100.0%	14 875	-	0.0%	12 428

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Limpopo (continued)				
Mogalakwena	78 251	-	-	78 251
Waterberg District Municipality	47 544	-	-	47 544
	1 565 837	-	-	1 565 837

ANNEXURE 1C

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Mpumalanga				
Albert Luthuli	49 958	-	-	49 958
Msukaligwa	34 283	-	-	34 283
Mkhondo	31 210	-	-	31 210
Pixley Ka Seme	27 188	-	-	27 188
Lekwa	26 099	-	-	26 099
Dipaleseng	14 698	-	-	14 698
Govan Mbeki	65 331	-	-	65 331
Gert Sibande District Municipality	149 801	-	-	149 801
Delmas	16 839	-	-	16 839
Emalahleni	60 811	-	-	60 811
Steve Tshwete	30 611	-	-	30 611
Emakhazeni	11 890	-	-	11 890
Thembisile	70 806	-	-	70 806
Dr JS Moroka	73 423	-	-	73 423
Nkangala District Municipality	188 428	-	-	188 428
Thaba Chweu	24 749	-	-	24 749
Mbombela	102 361	-	-	102 361
Umjindi	15 378	-	-	15 378
Nkomazi	81 926	-	-	81 926
Bushbuckridge	113 530	-	-	113 530
Ehlanzeni District Municipality	94 771	-	-	94 771
	1 284 091	-	-	1 284 091

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
78 251	100.0%	78 251	-	0.0%	68 590
47 544	100.0%	47 544	-	0.0%	3 508
1 565 837	100.0%	1 565 837	-	0.0%	1 237 144

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
49 958	100.0%	49 958	-	0.0%	43 127
34 283	100.0%	34 283	-	0.0%	28 526
31 210	100.0%	31 210	-	0.0%	27 066
27 188	100.0%	27 188	-	0.0%	22 565
26 099	100.0%	26 099	-	0.0%	21 846
14 698	100.0%	14 698	-	0.0%	12 380
65 331	100.0%	65 331	-	0.0%	56 859
149 801	100.0%	149 801	-	0.0%	2 180
16 839	100.0%	16 839	-	0.0%	14 099
60 811	100.0%	60 811	-	0.0%	53 806
30 611	100.0%	30 611	-	0.0%	26 463
11 890	100.0%	11 890	-	0.0%	9 980
70 806	100.0%	70 806	-	0.0%	60 517
73 423	100.0%	73 423	-	0.0%	61 288
188 428	100.0%	188 428	-	0.0%	1 760
24 749	100.0%	24 749	-	0.0%	21 430
102 361	100.0%	102 361	-	0.0%	93 309
15 378	100.0%	15 378	-	0.0%	13 476
81 926	100.0%	81 926	-	0.0%	74 330
113 530	100.0%	113 530	-	0.0%	76 520
94 771	100.0%	94 771	-	0.0%	19 580
1 284 091	100.0%	1 284 091	-	0.0%	741 107

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1C STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Northern Cape				
Moshaweng	19 551	-	-	19 551
Ga-Segonyana	20 149	-	-	20 149
Gamagara	5 697	-	-	5 697
Kgalagadi District Municipality	32 449	-	-	32 449
Richtersveld	4 012	-	-	4 012
Nama Khoi	11 044	-	-	11 044
Kamiesberg	4 098	-	-	4 098
Hantam	6 533	-	-	6 533
Karoo Hoogland	4 471	-	-	4 471
Khai-Ma	4 243	-	-	4 243
Namakwa District Municipality	18 221	-	-	18 221
Ubuntu	5 957	-	-	5 957
Umsobomvu	9 795	-	-	9 795
Emthanjeni	11 598	-	-	11 598
Kareeberg	3 954	-	-	3 954
Renosterberg	4 887	-	-	4 887
Thembelihle	4 672	-	-	4 672
Siyathemba	6 440	-	-	6 440
Siyancuma	10 763	-	-	10 763
Pixley Ka Seme District Municipality	14 647	-	-	14 647
Mier	3 333	-	-	3 333
!Kai! Garib	15 213	-	-	15 213
//Khara Hais	16 888	-	-	16 888
!Kheis	5 195	-	-	5 195
Tsantsabane	9 174	-	-	9 174
Kgatelopele	4 807	-	-	4 807
Siyanda District Municipality	26 290	-	-	26 290
Sol Plaatje	50 356	-	-	50 356
Dikgatlong	14 344	-	-	14 344
Magareng	9 352	-	-	9 352
Phokwane	20 471	-	-	20 471
Frances Baard District Municipality	45 909	-	-	45 909
	424 513	-	-	424 513

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
19 551	100.0%	19 551	-	0.0%	16 425
20 149	100.0%	20 149	-	0.0%	17 364
5 697	100.0%	5 697	-	0.0%	4 145
32 449	100.0%	32 449	-	0.0%	14 832
4 012	100.0%	4 012	-	0.0%	3 235
11 044	100.0%	11 044	-	0.0%	8 749
4 098	100.0%	4 098	-	0.0%	3 342
6 533	100.0%	6 533	-	0.0%	5 613
4 471	100.0%	4 471	-	0.0%	3 869
4 243	100.0%	4 243	-	0.0%	3 418
18 221	100.0%	18 221	-	0.0%	1 911
5 957	100.0%	5 957	-	0.0%	5 473
9 795	100.0%	9 795	-	0.0%	8 183
11 598	100.0%	11 598	-	0.0%	9 445
3 954	100.0%	3 954	-	0.0%	3 529
4 887	100.0%	4 887	-	0.0%	3 930
4 672	100.0%	4 672	-	0.0%	3 764
6 440	100.0%	6 440	-	0.0%	5 499
10 763	100.0%	10 763	-	0.0%	9 336
14 647	100.0%	14 647	-	0.0%	2 908
3 333	100.0%	3 333	-	0.0%	2 844
15 213	100.0%	15 213	-	0.0%	13 241
16 888	100.0%	16 888	-	0.0%	13 296
5 195	100.0%	5 195	-	0.0%	4 363
9 174	100.0%	9 174	-	0.0%	7 869
4 807	100.0%	4 807	-	0.0%	4 199
26 290	100.0%	26 290	-	0.0%	3 868
50 356	100.0%	50 356	-	0.0%	43 124
14 344	100.0%	14 344	-	0.0%	12 114
9 352	100.0%	9 352	-	0.0%	7 825
20 471	100.0%	20 471	-	0.0%	17 413
45 909	100.0%	45 909	-	0.0%	2 617
424 513	100.0%	424 513	-	0.0%	267 743

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1C STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share North West				
Moretele	47 984	-	-	47 984
Madibeng	88 000	-	-	88 000
Rustenburg	87 839	-	-	87 839
Kgetlengrivier	13 363	-	-	13 363
Moses Kotane	72 634	-	-	72 634
Bojanala Platinum District Municipality	139 081	-	-	139 081
Ratlou	20 179	-	-	20 179
Tswaing	19 625	-	-	19 625
Mafikeng	37 640	-	-	37 640
Ditsobotla	24 546	-	-	24 546
Zeerust	24 673	-	-	24 673
Central District Municipality	151 124	-	-	151 124
Kagisano	18 837	-	-	18 837
Naledi	11 034	-	-	11 034
Mamusa	10 052	-	-	10 052
Greater Taung	30 600	-	-	30 600
Molopo	4 509	-	-	4 509
Lekwa-Teemane	8 945	-	-	8 945
Bophirima District Municipality	72 694	-	-	72 694
Ventersdorp	14 585	-	-	14 585
Potchefstroom	28 189	-	-	28 189
Klerksdorp	111 882	-	-	111 882
Maquassi Hills	24 000	-	-	24 000
Merafong City	68 625	-	-	68 625
Southern District Municipality	72 047	-	-	72 047
	1 202 687	-	-	1 202 687

ANNEXURE 1C STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Western Cape				
City of Cape Town	1 280 807	-	-	1 280 807
Matzikama	10 831	-	-	10 831
Cederberg	9 151	-	-	9 151
Bergrivier	7 790	-	-	7 790

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
47 984	100.0%	47 984	-	0.0%	40 463
88 000	100.0%	88 000	-	0.0%	78 709
87 839	100.0%	87 839	-	0.0%	79 402
13 363	100.0%	13 363	-	0.0%	11 281
72 634	100.0%	72 634	-	0.0%	61 733
139 081	100.0%	139 081	-	0.0%	2 828
20 179	100.0%	20 179	-	0.0%	17 343
19 625	100.0%	19 625	-	0.0%	16 753
37 640	100.0%	37 640	-	0.0%	33 316
24 546	100.0%	24 546	-	0.0%	20 404
24 673	100.0%	24 673	-	0.0%	21 100
151 124	100.0%	151 124	-	0.0%	74 506
18 837	100.0%	18 837	-	0.0%	16 423
11 034	100.0%	11 034	-	0.0%	9 056
10 052	100.0%	10 052	-	0.0%	8 576
30 600	100.0%	30 600	-	0.0%	26 479
4 509	100.0%	4 509	-	0.0%	3 727
8 945	100.0%	8 945	-	0.0%	7 577
72 694	100.0%	72 694	-	0.0%	48 742
14 585	100.0%	14 585	-	0.0%	12 433
28 189	100.0%	28 189	-	0.0%	24 072
111 882	100.0%	111 882	-	0.0%	95 190
24 000	100.0%	24 000	-	0.0%	20 176
68 625	100.0%	68 625	-	0.0%	61 069
72 047	100.0%	72 047	-	0.0%	1 205
1 202 687	100.0%	1 202 687	-	0.0%	792 563

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
1 280 807	100.0%	1 280 807	-	0.0%	275 565
10 831	100.0%	10 831	-	0.0%	8 920
9 151	100.0%	9 151	-	0.0%	7 579
7 790	100.0%	7 790	-	0.0%	6 208

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1C STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			
	Amount	Roll Overs	Adjustments	Total Available
	R'000	R'000	R'000	R'000
Local Government Equitable Share Western Cape (continued)				
Saldanha Bay	12 215	-	-	12 215
Swartland	9 352	-	-	9 352
West Coast District Municipality	43 320	-	-	43 320
Witzenberg	15 169	-	-	15 169
Drakenstein	24 230	-	-	24 230
Stellenbosch	15 111	-	-	15 111
Breede Valley	21 672	-	-	21 672
Breede River Winelands	16 919	-	-	16 919
Cape Winelands District Municipality	127 434	-	-	127 434
Theewaterskloof	17 618	-	-	17 618
Overstrand	13 018	-	-	13 018
Cape Agulhas	5 862	-	-	5 862
Swellendam	6 700	-	-	6 700
Overberg District Municipality	24 681	-	-	24 681
Kannaland	6 725	-	-	6 725
Hessequa	9 450	-	-	9 450
Mossel Bay	14 269	-	-	14 269
George	24 568	-	-	24 568
Oudtshoorn	14 434	-	-	14 434
Bitou	8 382	-	-	8 382
Knysna	11 253	-	-	11 253
Eden District Municipality	74 734	-	-	74 734
Laingsburg	3 189	-	-	3 189
Prince Albert	3 597	-	-	3 597
Beaufort West	9 434	-	-	9 434
Central Karoo District Municipality	9 897	-	-	9 897
	1 851 812	-	-	1 851 812
Subtotal	18 057 940	-	-	18 057 940
Regional Service Council Levies				
Gauteng				
City of Tshwane	178		(92)	86
Subtotal	178	-	(92)	86
Vehicle Licences				
Gauteng				
City of Tshwane	-	-	7	7
Subtotal	-	-	7	7
Total of unconditional grants	18 058 118		(85)	18 058 033

TRANSFER		SPENT			2005/06
Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
R'000	%	R'000	R'000	%	R'000
12 215	100.0%	12 215	-	0.0%	9 369
9 352	100.0%	9 352	-	0.0%	7 596
43 320	100.0%	43 320	-	0.0%	1 787
15 169	100.0%	15 169	-	0.0%	12 612
24 230	100.0%	24 230	-	0.0%	20 820
15 111	100.0%	15 111	-	0.0%	13 118
21 672	100.0%	21 672	-	0.0%	18 705
16 919	100.0%	16 919	-	0.0%	13 687
127 434	100.0%	127 434	-	0.0%	2 208
17 618	100.0%	17 618	-	0.0%	14 431
13 018	100.0%	13 018	-	0.0%	10 172
5 862	100.0%	5 862	-	0.0%	4 456
6 700	100.0%	6 700	-	0.0%	5 428
24 681	100.0%	24 681	-	0.0%	1 064
6 725	100.0%	6 725	-	0.0%	5 610
9 450	100.0%	9 450	-	0.0%	7 187
14 269	100.0%	14 269	-	0.0%	10 967
24 568	100.0%	24 568	-	0.0%	20 679
14 434	100.0%	14 434	-	0.0%	11 296
8 382	100.0%	8 382	-	0.0%	6 539
11 253	100.0%	11 253	-	0.0%	8 922
74 734	100.0%	74 734	-	0.0%	3 437
3 189	100.0%	3 189	-	0.0%	2 501
3 597	100.0%	3 597	-	0.0%	2 968
9 434	100.0%	9 434	-	0.0%	7 420
9 897	100.0%	9 897	-	0.0%	5 629
1 851 812	100.0%	1 851 812	-	0.0%	526 880
18 057 940	100.0%	18 057 940	-	0.0%	9 643 341
86	100.0%	86		0.0%	340
86	100.0%	86	-	0.0%	340
7	100.0%	7		0.0%	-
7	100.0%	7		0.0%	-
18 058 033	100.0%	18 058 033	-	0.0%	9 643 681

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1D

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTS/AGENCY/ACCOUNT	TRANSFER ALLOCATION		
	Adjusted Appropriation Act	Roll Overs	Adjustments
	R'000	R'000	R'000
South African Local Government Association	19 494	-	-
Municipal Demarcation Board	16 827	-	-
Municipal Infrastructure Investment Unit	-	-	-
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	13 403	-	-
Council for Geoscience	-	-	-
	49 724	-	-

ANNEXURE 1E

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

(NAME OF PUBLIC CORPORATION /PRIVATE ENTERPRISE)	TRANSFER ALLOCATION		
	Adjusted Appropriation Act	Roll Overs	Adjustments
	R'000	R'000	R'000
Private Enterprises			
Subsidies			
Glenrand M.I.B Insurance Brokers	-	-	78
Kgwerana Asset Finance	-	-	200
TOTAL	-	-	278

ANNEXURE 1F

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION		
	Adjusted Appropriation Act	Roll Overs	Adjustments
	R'000	R'000	R'000
Transfers			
Commonwealth Local Government Forum	-	-	226
United Cities and Local Governments of Africa	-	-	2 757
Total	-	-	2 983

	TRANSFER		2005/06
Total Available	Actual Transfer	Percentage of Available Funds Transferred	Final Appropriation Act
R'000	R'000	%	R'000
19 494	19 494	100.0%	18 385
16 827	16 827	100.0%	24 959
-	-	0.0%	11 234
13 403	13 403	100.0%	11 286
-	-	0.0%	1 950
49 724	49 724		67 814

	EXPENDITURE				2005/06
Total Available	Actual Transfer	Percentage of Available Funds Transferred	Capital	Current	Total Available
R'000	R'000	%	R'000	R'000	R'000
-					
78	78	100.0%		78	121
200	200	100.0%		200	65
278	278		-	278	186

	EXPENDITURE		2005/06
Total Available	Actual Transfer	Percentage of Available Funds Transferred	Final Appropriation Act
R'000	R'000	%	R'000
226	226	100.0%	-
2 757	2 757	100.0%	-
2 983	2 983		-

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1G

STATEMENT OF TRANSFERS/SUBSIDIES TO NON-PROFIT INSTITUTIONS

NON PROFIT INSTITUTIONS	TRANSFER ALLOCATION		
	Adjusted Appropriation Act	Roll Overs	Adjustments
	R'000	R'000	R'000
Transfers			
South African Cities Network	1 590	-	-
South African Red Cross	-	-	-
SAMDI	-	-	70
United Cities and Local Governments of Africa	-	-	2 499
Southern African Development Community Secretariat	-	-	2 650
TOTAL	1 590	-	5 219

ANNEXURE 1H

STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS

HOUSEHOLD	TRANSFER ALLOCATION		
	Adjusted Appropriation Act	Roll Overs	Adjustments
	R'000	R'000	R'000
Employees (Leave gratuity)	404	-	272
Employees (Arbitration award)	-	-	-
Employees (Payments made as an act of grace)	-	-	58
Total	404	-	330

ANNEXURE 1I

STATEMENT OF LOCAL AND FOREIGN AID ASSISTANCE RECEIVED FOR THE YEAR ENDED 31 MARCH 2007

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000
Received in cash		
European Union	Local government support: Mpumalanga/Limpopo Provinces	(11 663)
Netherlands	Sectoral budget support	16 020
Netherlands	Masibambane project	5 033
Conseil de L'Europe	Local government workshops	4
Conseil de L'Europe	Winter schools intergovernment relations	2
Raoul Wallenberg	Conference on Traditional Leaders	23
UNDP	White Paper on Disaster Management	443
UNDP	Establishment of a SADC Desk on Local Government	(299)
African Renaissance	Implementation of DRC project plan	1 091
Danish	Project Consolidate Knowledge Management-dplg	-
Development Bank of Southern Africa	Project Consolidate	-
Subtotal		10 654
Received in kind		
DFID	Consolidate Municipal Transformation Programme	-
USAID	Local Government Support Programme	-
GTZ	German Technical Co-operation Contribution on "Strengthening Local Governance Programme (SLGP)"	-
Subtotal		-
Total		10 654

	EXPENDITURE		2005/06
Total Available	Actual Transfer	Percentage of Available Transferred	Final Appropriation Act
R'000	R'000	%	R'000
1 590	1 590	100.0%	1 500
-	-	0.0%	4 000
70	70	100.0%	-
2 499	2 499	100.0%	-
2 650	2 650	100.0%	-
6 809	6 809		5 500

	EXPENDITURE		2005/06
Total Available	Actual Transfer	% of Available Transferred	Final Appropriation Act
R'000	R'000	%	R'000
676	676	100.0%	384
-	-	0.0%	332
58	58	100.0%	-
734	734		716

REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
-	-	(11 663)
8	15 973	55
22 115	14 335	12 813
(4)	-	-
(2)	-	-
(23)	-	-
1	-	444
299	-	-
-	868	223
2 160	562	1 598
3 624	3 624	-
28 178	35 362	3 470
3 298	3 298	-
10 858	10 858	-
10 138	10 138	-
24 294	24 294	-
52 472	59 656	3 470

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2007

NATURE OF GIFT, DONATION OR SPONSORSHIP	R'000
Remissions, refunds, and payments made as an act of grace	
Mabuza Z - Loss of personal items	2
Lehapa MC Late Tsotetsi MJK - Sitting allowances	5
AVBOB - Funeral costs of Late Olyn J	16
Mpiti Funeral Undertakers - Funeral costs of Late Mpantsha DN	10
Mhlauli NC - Reimbursement of Air Ambulance costs	25
Total	58

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 - LOCAL

Guarantor institution	Guarantee in respect of Motor Vehicles	Original Guarantee capital amount	Opening Balance 01/04/2006	Guarantee drawdowns during the year
		R'000	R'000	R'000
Stannic	Motor Vehicles	952	891	306
		952	891	306
	Housing			
ABSA Bank	Housing	58	88	-
First National Bank	Housing	93	93	-
Nedcor Bank	Housing	19	19	-
Old Mutual Bank	Housing	16	16	-
Standard Bank	Housing	133	90	43
		319	306	43
	Total	1 271	1 197	349

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2007

Nature of Liability	Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Claims against the department Pe-Corporate Services vs Minister for Provincial and Local Government	575	-	-	-	575
Total	575	-	-	-	575

Guarantee repayments/ can- celled/ reduced/ released during the year	Currency Revalua- tions	Closing Balance 31/03/2007	Guaranteed interest outstanding 31/03/2007	Realised losses not re- coverable, i.e. claims paid out
R'000	R'000	R'000	R'000	R'000
643		554	-	-
643	-	554	-	-
47	-	41	-	-
-	-	93	-	-
-	-	19	-	-
-	-	16	-	-
-	-	133	-	-
47	-	302	-	-
690	-	856	-	-

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

ANNEXURE 3 INTER-GOVERNMENTAL RECEIVABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Home Affairs	-	18	-	-	-	18
Justice and Constitutional Development	7	-	-	-	7	-
National Treasury	15	-	-	-	15	-
Office of the Public Service Commission	-	-	4	-	4	-
Public Works	29	13	-	-	29	13
Statistics South Africa	12	-	-	-	12	-
South African Police Services	3	-	-	-	3	-
Water Affairs and Forestry	12	-	-	-	12	-
TOTAL	78	31	4	-	82	31

ANNEXURE 4 INTER-DEPARTMENTAL PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Arts and Culture	-	-	14	-	14	-
Communications	40	-	-	-	40	-
Foreign Affairs	-	52	329	43	329	95
Justice and Constitutional Development	-	-	-	-	-	-
Public Works	18	-	-	-	18	-
Gauteng Province	66	177	84	-	150	177
Western Cape Province	21	26	-	5	21	31
Total	145	255	427	48	572	303

ANNEXURE 5
DISCLOSURE NOTES IN RESPECT OF CONDITIONAL GRANTS IN TERMS OF SECTION 30(2) OF THE DIVISION OF
REVENUE ACT 2006 (ACT NO.2 OF 2006).

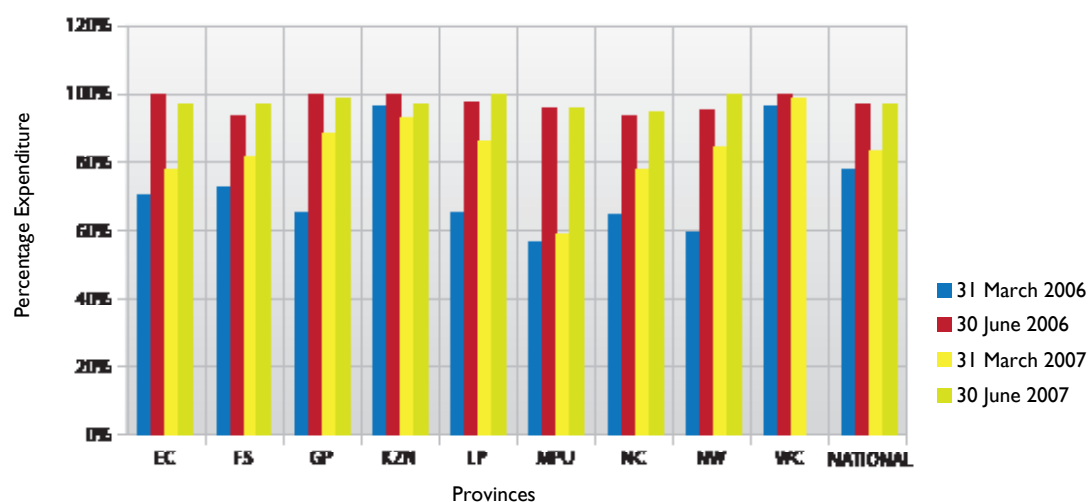
MUNICIPAL INFRASTRUCTURE GRANT

I. INTRODUCTION

The Municipal Infrastructure Grant (MIG) was incrementally implemented from the 2004/05 financial year. During the 2004/05 financial year, MIG was introduced to a few high capacity municipalities, with an extended yet partial roll-out in the 2005/06 financial year to more municipalities, culminating in an almost complete allocation to all municipalities over the 2006/07 financial year.

The MIG allocation for the 2004/05 financial year was R4,439 billion and the allocation for the 2005/06 and the 2006/07 financial years was R5,436 billion and R6,265 billion respectively.

Table: I MIG Expenditure Comparison 2005/06 and 2006/07 Financial Years



The above graph indicates the expenditure trends by municipalities at the end of the national financial year (31 March) and the end of the municipal financial year (30 June) for the 2005/06 and 2006/07 financial years.

Although the MIG allocation has increased over the years, the capacity of municipalities to spend the MIG funds has also increased. The expenditure at the end of March 2006 was 73 percent compared to the expenditure of 96,6 percent at the end of the municipal financial year (30 June 2006). The expenditure at 31 March 2007 was 82 percent and has increased to 97 percent as at 30 June 2007. This increase in expenditure is also due to governments interventions in municipalities.

Municipalities are facing challenges with the misalignment of the national and local government financial planning cycles, although with better forward planning the misalignment of financial years need not be a problem. Most municipalities only approve their budgets during May/June. It is only then that they start with the design and tendering processes that normally takes up to 3 months.

2. MUNICIPAL ALLOCATIONS PER PROVINCE, TRANSFERS, EXPENDITURE OF TRANSFERRED AMOUNTS AND AMOUNTS NOT YET TRANSFERRED AS AT 31 MARCH 2007

Municipalities were allocated an amount of R6,756 billion for the 2006/07 financial year as per the 2006 Division of Revenue Act. However, the MIG allocations were reduced by R817.7 million to R5,938 billion due to under spending by some municipalities. The **dplg** has transferred all the funds to municipalities according to the revised allocation as at the end of March 2007. This represents 100 percent of the total revised allocation of R 5,938 billion.

The **dplg** certifies that all transfers to Municipalities were deposited into the primary bank account of the municipalities.

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

As at 31 March 2007, municipalities spent R5,210 billion which represents 87.7 percent of the revised allocation.

Table 2: Expenditure of the 2006/07 allocations as at 31 March 2007

Province	Revised Allocation (R'000)	Transferred to date (R'000)	% Transferred from total allocation	Actual Expenditure to date (R'000)	% Expenditure from total allocation	% Expenditure from amount transferred	Amount not yet spent (R'000)
Eastern Cape	1 129 992	1 129 992	100.00	982 082	86.91	86.9%	147 910
Free State	507 633	507 633	100.00	452 819	89.20	89.2%	54 814
Gauteng	839 257	839 257	100.00	783 906	93.40	93.4%	55 351
KwaZulu Natal	1 244 678	1 244 678	100.00	1 157 199	92.97	93.0%	87 479
Limpopo	762 723	762 723	100.00	700 112	91.79	91.8%	62 611
Mpumalanga	414 408	414 408	100.00	254 878	61.50	61.5%	159 530
Northern Cape	124 725	124 725	100.00	101 412	81.31	81.3%	23 313
North West	496 733	496 733	100.00	452 989	91.19	91.2%	43 744
Western Cape	418 260	418 260	100.00	324 641	77.62	77.6%	93 619
TOTAL	5 938 409	5 938 409	100.00	5 210 038	87.73	87.73	728 372

3. LIST OF MUNICIPALITIES WHERE TRANSFERS WERE WITHHELD

Due to persistent under spending by certain municipalities on the MIG, the **dplg** implemented section 18 (1) of the 2006 Division of Revenue Act since August 2006. Despite withholding transfers in the months of August, September, October, November, December, January and February 2007, these municipalities continued to under spend on their MIG funds.

The **dplg** recommended to National Treasury to approve the implementation of Section 18 (5) of the Division of Revenue Act to some of the municipalities (withholding for more than 30 days but not exceeding 120 days).

Table 3: List of municipalities where transfers were withheld

Municipalities : Transfers Withheld	Reasons	Actions
EC (34): Nelson Mandela, Camdeboo, Ikwezi, Makana, Ndlambe, Baviaans, Kouga, Koukamma, Mbashe, Great Kei, Amahlathi, Ngqushwa, Nkonkobe, Inxuba Yethemba, Lukhanji, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe, Chris Hani, Elundini, Senqu, Maletswai, Ukhahlamba, Mbizana, Ntabankulu, Qaukeni, Port St Johns, Nyandeni, Mhlontlo, O.R Tambo, Umzimvubu, Matateile, Alfred Nzo.	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
FS (18): Letsemeng, Kopanong, Mohokare, Naledi, Mant-sopa, Masilonyana, Tokologo, Tswelopele, Matjhabeng, Nala, Setsoto, Dihlabeng, Nketoana, Maluti-a-Phofung, Phumelela, Ngwathe, Metsimaholo, Mafube	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
GT (10): Ekurhuleni, City of Johannesburg, City of tshwane, Nokeng tsa Taemane, Kungwini, Emfuleni, Mid-vaal, Lesedi, Randfontein, Westonaria.	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.

Municipalities : Transfers Withheld	Reasons	Actions
KZN (42): eThekweni, Vulamehlo, Umzube, uMziwabantu, Ezinqolweni, Hibiscus Coast, Ugu, uMshwathi, Msunduzi, Richmond, uMgungundlovu, Emnambithi, Indaka, Okhahl-amaba, Imbabazane, Nquthu, Msinga, Umvoti, Newcastle, Dannhouser, eDumbe, uPhongolo, Abaqulisi, Nongoma, Ulundi, Zululand, Umhlabyalingana, Jozini, Hlabisa, Mbonambi, Umlalazi, Mthonjaneni, Mkandla, uThungulu, eNdondakusuka, Ndwedwe, Maphumulo, iLembe, Ingwe, Greater Kokstad, Ubuhlebezwe, Umzimkhulu.	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
LP (26): Makhuduthamaga, Fetakgomo, Greater Marble Hall, Greater Groblersdal, Greater Tubatse, Greater Sekhukhune, Greater Gianni, Greater letup, Greater Tzaneen, Ba-Phalaborewa, Maruleng, Musina, Thulamela, Makhado, Vhembe, Blouberg, Aganang, Molemole, Polokwane, Lepelle-Nkumbi, Capricon, Thabazimbi, Lephalale, Mookgopong, Mpgalakweni	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
MP (18): Albert Luthuli, Msukaligwa, Mkhondo, Pexley Ka Seme, Lekwa, Dipaliseng, Delmas, Emalahleni, Steve Tshwete, Emakhazeni, Thembeisile, Dr JS Moroka, Thaba Chweu, Mombela, Umjindi, Nkomazi, Bushbuckridge, Ehlanzeni.	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
NC (20): Moshaweng, Ga-Segonyana, Nama Khoi, Hantam, Namakwa, Ubuntu, Umsobomvu, Emthanjeni, Kareeberg, Rensterberg, Thembeihle, Siyathemba, Siyancuma, Pixley Ka Seme, !Kai! Garib, !Khara Hais, Siyanda, Dikgatlong, Magareng, Phokwane.	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
NW (18): Moretele, Rustenberg, Moses Kotane, Ratlou, Tswaing, Ditsobotla, Ramotshere Moiloa, Kagisano, Naledi, Mamusa, Greater Taung, Lekwa-Teemane, Bophirima, Ventersdorp, Potchefstroom, Klerksdorp, Maquassi Hills, Merafong City.	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.
WC (18): Matzikama, Cederberg, Saldanha Bay, West Coast, Witzenberg, Drakenstein, Stellenbosch, Breede Valley, Theewaterskloof, Overstrand, Overberg, Kannaland, Mossel Bay, George, Oudtshoorn, Knysna, Eden, Central Karoo	Under spending	Letters were written to the municipalities informing them of the intention to withhold funds. Meetings were held with municipalities to assist them with planning and project implementation. Workshops took place in November 2006 to assist municipalities to prepare to implement the 2007/08 projects. The dplg team visited all the municipalities in the province that were under-committed to register projects.

Despite the withholding of transfers, certain municipalities continued to report significant under spending. As a result the **dplg** requested National Treasury to consider stopping allocations to some municipalities in terms of the Division of Revenue Act that stipulates the following:

- (a) National Treasury may in its discretion or at the request of a transferring national officer stop the transfer of an allocation to a municipality:
- On the grounds of persistent and material non-compliance with the provision of this Act, or a condition to which the allocation is subject ; or

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

- If National Treasury anticipates that a municipality will substantially under spend on that programme or allocation in the financial year.

(b) National Treasury may, where it stops an allocation in terms of Section 19, after consultation with the transferring national officer, determine that a portion or the full allocation that will be under spent be reallocated to one or more provinces or municipalities on condition that the allocation will be spent in the financial year or the next financial year.

The **dplg** forwarded a formal submission in terms of section 19 of the Division of Revenue Act to request National Treasury to consider stopping MIG funds to the identified municipalities. Section 38 of the Municipal Finance Management Act (MFMA), requires National Treasury to inform affected municipalities before stopping their allocations. National Treasury wrote a letter to all the affected municipalities on 28 February 2007. A number of municipalities have responded and listed various reasons why their MIG funding should not be stopped. After careful consideration of municipalities' responses and in response to **dplg's** request, National Treasury advised as follows:

- That the allocation of municipalities that have responded would not be stopped irrespective of their spending patterns.
- That the full amount of the outstanding part of the 2006/07 allocation due to non-responding municipalities would be stopped, but only in cases where less than 60 per cent of that allocation was spent as at the end of February 2007.
- That the allocation for municipalities that indicated they would not be able to spend their full allocation would be stopped.
- That the funds stopped would not be re-allocated to other municipalities for now, instead a better approach would be to roll over the funds to the 2007/08 financial year and take further action later based on the monitoring of the spending performance of those municipalities.

Table 4: List of Municipalities where transfers were stopped

Municipalities : Transfers Withheld	Reasons	Actions
Nelson Mandela	Bucket eradication funds incorrectly allocated by DWAF	Meetings were held with the municipality to address the incorrect allocation of the bucket eradication allocation.
Kouga	Under spending	The dplg and the Provincial MIG Unit held a meeting on 11 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Koukamma	Under spending	The dplg and the Provincial MIG Unit held a meeting on 11 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Mbhashe	Under spending	The dplg and the Provincial MIG Unit held a meeting on 30 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Emalahleni	Under spending	The dplg and the Provincial MIG Unit held a meeting on 31 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Sakhisizwe	Under spending	The dplg and the Provincial MIG Unit held a meeting on 31 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.

Municipalities : Transfers Withheld	Reasons	Actions
Elundini	Under spending	The dplg and the Provincial MIG Unit held a meeting on 30 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Maletswai	Under spending	The dplg and the Provincial MIG Unit held a meeting on 30 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
O.R. Tambo District Municipality	Under spending	The dplg and the Provincial MIG Unit held a meeting on 31 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Matjhabeng	Under spending	The dplg and the Provincial MIG Unit held meetings on 10 April and 26 April 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Ekurhuleni	Under spending	The dplg and the Provincial MIG Unit held a meeting on 7 June 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
City of Johannesburg	Under spending	The dplg and the Provincial MIG Unit held a meeting on 7 June 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Emfuleni	Under spending	The dplg and the Provincial MIG Unit held a meeting on 7 June 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
uMuziwabantu	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Hibiscus Coast	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

Municipalities : Transfers Withheld	Reasons	Actions
Richmond	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Msinga	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Umvoti	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Abaqulusi	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Mbonambi	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Ndwedwe	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Maphumulo	Under spending	The dplg and the Provincial MIG Unit held meetings on 7 and 8 May 2007 with the municipalities in KZN to address the challenges and to assess the readiness of the municipalities to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Vhembe District Municipality	Under spending	The dplg and the Provincial MIG Unit held a meeting on 5 April 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Molemole	Under spending	The dplg and the Provincial MIG Unit held a meeting on 4 April 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.

Municipalities : Transfers Withheld	Reasons	Actions
Polokwane	Under spending	The dplg and the Provincial MIG Unit held a meeting on 23 March 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Albert Luthuli	Under spending	The dplg and the Provincial MIG Unit held meetings with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Lekwa	Under spending	The dplg and the Provincial MIG Unit held meetings with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Steve Tshwete	Under spending	The dplg and the Provincial MIG Unit held meetings with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Dr JS Moroka	Under spending	The dplg and the Provincial MIG Unit held meetings with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Mbombela	Under spending	The dplg and the Provincial MIG Unit held meetings with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Nkomazi	Under spending	The dplg and the Provincial MIG Unit held meetings with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Namakwa District Municipality	Under spending	The dplg and the Provincial MIG Unit held a meeting on 28 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Siyancuma	Under spending	The dplg and the Provincial MIG Unit held a meeting on 28 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
!Kai! Garib	Under spending	The dplg and the Provincial MIG Unit held a meeting on 28 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

Municipalities : Transfers Withheld	Reasons	Actions
Siyanda District Municipality	Under spending	The dplg and the Provincial MIG Unit held a meeting on 28 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Magareng	Under spending	The dplg and the Provincial MIG Unit held a meeting on 28 May 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Rustenburg	Under spending	The dplg and the Provincial MIG Unit held a meeting on 4 June 2007 with the municipality to address the challenges and to assess the readiness of the municipality to implement the MIG programme in the 2007/08 financial year to prevent future withholding and stopping of funds.
Tswaing	Under spending	The municipality's performance improved significantly in April 2007. No meeting was held as the municipality have all the plans in place to spend the 2007/08 funds and the portion that was stopped.

5. EXTENT OF MONITORING FOR COMPLIANCE WITH THE MIG CONDITIONS PROVIDED FOR IN THE RELEVANT FRAMEWORK AND PROVISIONS OF DORA

The **dplg** has developed a number of support and monitoring systems to assist municipalities to comply the grant conditions. The systems developed include:

- Project registration forms to obtain base line information
- Monthly DORA reports
- Monthly updated project lists
- Quarterly KPI reports
- Monthly performance assessment reports
- MIG Management Information System

5.1 Project Registration

All the projects funded through MIG should be registered before the municipality can implement the project. Through the project registration system all the spheres of government are involved i.e. municipalities, provinces and national (including sector departments). The following compliance issues are assessed through project registration: projects have the Integrated Development Plan (IDP) numbers to reflect if the project is in the IDP of a particular municipality, the project is in line with Provincial Growth and Development Strategies (PGDS), project addresses Extended Public Works Programme (EPWP) guideline provisions, projects meet sector technical requirements, projects address infrastructure backlogs.

5.2 Monthly DORA reports

Municipalities submit expenditure reports on a monthly basis to **dplg** through all the 9 provinces (departments of Local Government and Housing). The **dplg** analyses the expenditure of all municipalities to determine the municipal performance and actions required to address bottlenecks. The monthly expenditure report is assessed against the monthly project list that provides expenditure per registered project. Based on these reports, interventions in terms of DORA compliance issues are determined.

5.3 Monthly Project List

This report is submitted to **dplg** through provinces to provide monthly progress on all the projects being implemented by municipalities. It provides progress for both financial and non-financial information on project implementation at municipal level.

It provides details such as progress on project implementation status (number and value of projects registered, number and value of projects in design and tender stages, number and value of projects on construction and completed stages). It also provides monthly progress reports

of outputs (number of households serviced and employment opportunities created). This report is also used by sector departments to determine interventions and support required for their respective sectors.

5.4 Quarterly Key Performance Indicators report (KPI)

The essential tool utilized by national government for monitoring the delivery of infrastructure through the MIG programme is the Key Performance Indicator (KPI) report compiled quarterly. The KPI report provides information on the key achievements of the programme in the delivery of infrastructure to the poor.

The **dplg** has developed a KPI reporting template which is completed by the Project Management Units (PMUs) (municipal level) as well as the Provincial Project Management Units (PPMUs). The KPI reports are verified by the sector departments before submission to the **dplg**.

Indicated below is a reporting cycle that reflects how KPI reports should be compiled and finalized:

- Within 30 days after the end of each quarter, the PMUs together with their municipalities compile the KPI reports and forward these to the PPMUs.
- The PPMUs consolidate the municipal KPI reports and draft a provincial KPI report within 15 days, which is forwarded to the sector departments for verification.
- After receiving the KPI reports, the sector departments are required to verify the information contained in the reports and respond to the PPMUs within 15 days.
- Once the KPI reports have been verified by the sector departments and referred back to the PPMUs, the PPMUs are required to forward the verified provincial and municipal KPI reports to the National MIG Unit in **dplg** within 10 days.
- The National MIG Unit must also consolidate the provincial KPI reports and submit the National KPI report within 10 days to the Executive Manager: Municipal Infrastructure.
- The **dplg** will publish the document by the end of the third month after the quarter as well as submitting the report to the Select Committee on Finance.

5.5 The Monthly Performance report

The monthly performance report monitors the performance of the Programme with regard to projects registered per sector, their value and the status of commitments against the total MIG allocation.

5.6 The MIG Management Information System

The MIG management Information system is still in the development phase but all MIG projects are already captured and registered on the system. The system capability is currently being extended to monitor infrastructure backlogs and to generate a wide range of reports.

6. ACHIEVEMENTS IN LINE WITH THE MIG ALLOCATION PURPOSE AND OUTPUTS

The Division of Revenue Act 2 of 2006, Chapter 4 section 26 (2) (b) requires the municipalities to submit a quarterly performance report to the **dplg** within 30 days after the end of each quarter. Sector Departments need to verify the information.

The household figures per sector that benefited from MIG by the end of the 2006/07 financial year were as follows:

- Water (114 732),
- Sanitation (113 311),
- Solid Waste (572).
- 4 1437km of roads and related storm water were developed
- 979 SMMEs were utilised in the implementation of MIG projects and,
- 8 512 853 person days of employment have been created through labour intensive methods up to March 2007.

7. INCIDENTS OF NON-COMPLIANCE WITH DORA AND THE STEPS TAKEN TO DEAL WITH SUCH NON-COMPLIANCE

Due to the interventions undertaken by **dplg** to assist municipalities to comply with the Division of Revenue Act, municipal compliance with the Act improved significantly during the 2006/07 financial year. During the 2006/07 financial year, non-compliance with the DORA was mainly on non-reporting by municipalities in terms of the monthly and quarterly reports that had to be submitted. It was established that municipalities that were not complying in this regard were new receiving municipalities and did not have the capacity to report. Letters were written on a monthly basis after expenditure reports were assessed to those municipalities that were not reporting. Furthermore, training sessions were conducted during October and November 2006, to assist municipalities who were struggling with reporting. (See table 5 below)

Annexures to the Annual Financial Statements *continued...*

for the year ended 31 March 2006-2007

A template was developed to complete a payment schedule per project (cash flow projections), which the municipalities were requested to submit to **dplg**.

This is used as an early warning-monitoring tool for MIG expenditure trends by municipalities. It assists the municipalities, provinces and the **dplg** in monitoring the progress of the MIG projects on a monthly basis and it easily shows where the challenges are to inform the interventions aimed at dealing with those particular challenges. This also assists in instances where there is no movement on a project, whereby it can be recommended that such a project be stopped/suspended and funds be re-directed to other projects that are already registered and due for implementation or to projects which are already being implemented.

The idea of the payment schedule per project was as a result that the **dplg** realised that most of the municipalities are not spending according to the payment schedules (cash flow projections) submitted to **dplg** at the beginning of the financial year. There are huge variances between scheduled amounts and actual expenditures, resulting in under expenditure at municipalities.

Table 5: List of municipalities not complying with reporting requirements

Municipality: Non compliance reported	Reasons for non compliance	Corrective steps taken
Mbashe	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Mnquma	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Great Kei	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Buffalo City	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Nkonkobe	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Inxuba Yethemba	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Intsika Yethu	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Engcobo	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Elundini	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Ntabankulu	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Qaukeni	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Nyandeni	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Mhlontlo	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Alfred Nzo	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.

Municipality: Non compliance reported	Reasons for non compliance	Corrective steps taken
Nokeng tsa Taemane	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Newcastle	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Zululand	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Umlabuyalingana	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Mbonambi	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Ezinqolweni	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Richmond	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Umvoti	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Jozini	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Hlabisa	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Ndwedwe	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Maphumulo	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Nongoma	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Umlalazi	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Nkandla	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Ga-Segonyana	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Kamiesberg	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Hantam	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.

Annexures to the Annual Financial Statements continued...

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Municipality: Non compliance reported	Reasons for non compliance	Corrective steps taken
Ubuntu	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Umsobomvu	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Emthanjeni	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Kareeberg	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Renosterberg	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Thembisile	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Siyathemba	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Siyancuma	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Pixley Ka Seme	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Khara Hais	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Siyanda	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Sol Plaatjie	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Magareng	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Kgalagadi	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
!Kai! Garip	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.
Phokwane	Non reporting	Letters of non-compliance were sent to municipalities. The importance of reporting was also presented in meetings and workshops.

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
Eastern Cape			
	Nelson Mandela	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Service Delivery Facilitator deployed
EC102	Blue Crane Route	Conversion to GRAP in progress but no final payments yet to the Service Provider. Awaiting final report.	Municipality to finalize payments before end of municipal financial year
EC104	Makana	Conversion to GRAP in progress but no final payments yet to the Service Provider. Awaiting final report.	Municipality to finalize payments before end of municipal financial year
EC108	Kouga	Municipality busy with conversion to GRAP/GAMAP	Municipality to finalize payments before end of municipal financial year
EC109	Koukamma	Municipality busy with conversion to GRAP/GAMAP	Municipality to finalize payments before end of municipal financial year
DC10	Cacadu District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC121	Mbhashe	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC122	Mnquma	Projects started late due to slow procurement of service providers. Fifty percent (50%) of grant withheld and transferred in January 2007.	With the full implementation of MFMA, the matter will be addressed
EC123	Great Kei	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC125	Buffalo City	Slow spending due to the fact that the municipality initially allocated money to incorrect vote	Bilateral discussion with the municipality led to the identification of the problem and the projects are under implementation and funds committed until June 2007
EC127	Nkonkobe	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC12	Amatole District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC133	Inkwanca	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC134	Lukhanji	Projects started late due to slow procurement of service providers. Fifty percent (50%) of grant withheld and transferred in January 2007.	With the full implementation of MFMA, the matter will be addressed

Annexures to the Annual Financial Statements continued...

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MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
EC136	Emalahleni	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC137	Engcobo	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC138	Sakhisizwe	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC13	Chris Hani District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC141	Elundini	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC14	Ukhahlamba District Municipality	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC151	Mbizana	Municipality still spending funds from previous financial year	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC152	Ntabankulu	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC153	Qaukeni	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC154	Port St Johns	Municipality currently implementing the last phases of projects scheduled until June 2007.	Municipality to finalize payments before end of municipal financial year
EC155	Nyandeni	Municipality currently implementing the last phases of projects scheduled until June 2007.	Municipality to finalize payments before end of municipal financial year
EC156	Mhlontlo	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
EC157	King Sabata Dalindyebo	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC05b2	Umzimvubu	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
EC05b3	Matatiele	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC44	Alfred Nzo District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
Free State			
FS162	Kopanong	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
FS163	Mohokare	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
DC16	Xhariep District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
FS171	Naledi	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC17	Motheo District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
FS181	Masilonyana	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
FS182	Tokologo	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
FS183	Tswelopele	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
FS184	Matjhabeng	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
FS185	Nala	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC18	Lejweleputswa District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year

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MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
FS191	Setsoto	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
FS192	Dihlabeng	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
FS194	Maluti-a-Phofung	Municipality currently implementing the projects scheduled until June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
FS195	Phumelela	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC19	Thabo Mofutsanyana District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
DC20	Fezile Dabi District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
Gauteng			
GT02b2	Kungwini	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC46	Metsweding District Municipality	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
GT421	Emfuleni	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
GT423	Lesedi	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
DC42	Sedibeng District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
GT482	Randfontein	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC48	West Rand District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
KwaZulu-Natal			
KZ211	Vulamehlo	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
KZ213	Umzumbe	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC21	Ugu District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
KZ221	uMshwathi	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
KZ222	uMngeni	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
KZ223	Mooi Mpofana	Project started late due to procurement of service providers	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
KZ226	Mkhambathini	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
KZ227	Richmond	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
KZ232	Emnambithi/Ladysmith	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
KZ235	Okhahlamba	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
DC23	Uthukela District Municipality	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
KZ242	Nquthu	Municipality to spend funds for Valuation Roll in June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA
KZ244	Msinga	Municipality to spend funds for Valuation Roll in June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA
DC24	Umzinyathi District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
KZ253	Utrecht	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
KZ254	Dannhauser	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
DC25	Amajuba District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
KZ262	uPhongolo	Municipality making reconciliation with expenditure made to service provider. Reconciliations reports will be finalized in May	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
KZ263	Abaqulusi	Municipality to spend funds for Valuation Roll in June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA
KZ265	Nongoma	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
DC26	Zululand District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
KZ271	Umkhambayalingana	Municipality currently implementing the projects scheduled until June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
KZ272	Jozini	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
KZ273	The Big Five False Bay	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
KZ274	Hlabisa	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
DC27	Umkhanyakude District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
KZ281	Mbonambi	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
KZ283	Ntambanana	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
KZ284	Umlalazi	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
KZ285	Mthonjaneni	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
KZ286	Nkandla	Municipality to spend funds for Valuation Roll in June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA
DC28	uThungulu District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
KZ293	Ndwedwe	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
KZ294	Maphumulo	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
DC29	iLembe District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
KZ5a1	Ingwe	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
KZ5a2	Kwa Sani	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
KZ5a4	Greater Kokstad	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
KZ5a5	Ubuhlebezwe	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
KZ5a6	Umkhulu	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 . Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
DC43	Sisonke District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
Limpopo			
NP03a3	Fetakgomo	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
NP03a4	Greater Marble Hall	Municipality currently implementing the projects	Municipality to finalize payments before end of municipal financial year
NP03a5	Greater Groblersdal	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
NP03a6	Greater Tubatse	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
DC47	Greater Sekhukhune District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
NP332	Greater Letaba	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NP334	Ba-Phalaborwa	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
NP335	Maruleng	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
DC33	Mopani District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
NP342	Mutale	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NP343	Thulamela	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NP344	Makhado	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
DC34	Vhembe District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NP353	Molemole	Municipality busy with conversion to GRAP/GAMAP	Municipality to finalize payments before end of municipal financial year
NP355	Lepelle-Nkumpi	Municipality to spend funds for Valuation Roll in June 2007	Action Plan developed for implementation of MPRA
DC35	Capricorn District Municipality	Municipality currently implementing the projects	Municipality to finalize payments before end of municipal financial year
NP361	Thabazimbi	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
Mpumalanga			
MP301	Albert Luthuli	Municipality currently implementing the projects. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
MP305	Lekwa	Expenditure reports not sent consistently to the dplg on a monthly basis. Fifty percent (50%) of grant withheld and transferred in January 2007.	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
MP306	Dipaleseng	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
MP307	Govan Mbeki	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
DC30	Gert Sibande District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP312	Emalahleni	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP313	Steve Tshwete	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP314	Emakhazeni	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP315	Thembisile	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
MP316	Dr JS Moroka	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP321	Thaba Chweu	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP324	Nkomazi	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
MP325	Bushbuckridge	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
DC32	Ehlanzeni District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Municipality to finalize payments before end of municipal financial year
Northern Cape			
NC451	Moshaweng	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NC065	Hantam	Most funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
NC066	Karoo Hoogland	Most funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
NC067	Khai-Ma	Awaiting invoices from service provider	Funds committed for projects and will be spent by June 2007
DC6	Namakwa District Municipality	Awaiting invoices from service provider	Funds committed for projects and will be spent by June 2007
NC071	Ubuntu	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC072	Umsobomvu	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC073	Emthanjeni	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC074	Kareeberg	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC075	Renosterberg	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC076	Thembelihle	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC078	Siyanquma	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
DC7	Karoo District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007

Annexures to the Annual Financial Statements continued...

for the year ended 31 March 2006-2007

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
NC081	Mier	Most funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
NC082	Ikai Garib	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NC084	Ikheis	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
DC8	Siyanda District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NC092	Dikgatlong	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NC093	Magareng	Project started late due to procurement of service providers	Municipality to finalize payments before end of municipal financial year
NC094	Phokwane	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
DC9	Frances Baard District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
North West			
NW371	Moretele	Municipality currently implementing the projects scheduled until June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	The Service Delivery Facilitator deployed. Municipality to finalize payments before end of municipal financial year
NW375	Moses Kotane	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
DC37	Bojanala Platinum District Municipality	Expenditure reports not sent to the dplg on a monthly basis	Municipality requested to submit and present the expenditure reconciliation for the period July 2006 to March 2007 in the April 2007 Provincial MSIG Quarterly Review meeting
NW381	Ratlou	Funds committed to the implementation of MPRA. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA during 2007/08 financial year
NW382	Tswaing	Funds committed to the implementation of MPRA. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA during 2007/08 financial year
NW383	Mafikeng	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NW384	Ditsobotla	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
NW385	Zeerust	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
DC38	Central District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NW392	Naledi	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year

MUNICIPAL SYSTEMS IMPROVEMENT GRANT STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES			
Code	Municipality	Reason for variance	Remedial measures taken
NW393	Mamusa	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
NW394	Greater Taung	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
NW395	Molopo	Funds committed to the implementation of MPRA. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA during 2007/08 financial year
NW396	Lekwa-Teemane	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
DC39	Bophirima District Municipality	Reprioritization of Activity Plan impacted on the project implementation timelines. Projects on schedule for completion in June 2007 .	Funds committed for projects and will be spent by June 2007
NW401	Ventersdorp	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
NW405	Merafong City	Expenditure reports not sent to the dplg on a monthly basis	Hands on support by dplg and the Province to enhance compliance to DoRA
DC40	Southern District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
Western Cape			
WC011	Matzikama	Municipality currently implementing the projects scheduled until June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
WC012	Cederberg	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
WC022	Witzenberg	Funds committed to the implementation of MPRA	Action Plan developed for implementation of MPRA during 2007/08 financial year
WC026	Breede River Winelands	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
WC031	Theewaterskloof	Municipality currently implementing the projects scheduled until June 2007. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Municipality to finalize payments before end of municipal financial year
WC041	Kannaland	Funds committed to the implementation of MPRA. Fifty percent (50%) of the grant withheld and transferred in January 2007.	Action Plan developed for implementation of MPRA during 2007/08 financial year
WC051	Laingsburg	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
WC052	Prince Albert	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
WC053	Beaufort West	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year
DC5	Central Karoo District Municipality	Municipality currently implementing the projects scheduled until June 2007	Municipality to finalize payments before end of municipal financial year

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Human Resources Oversight Report

for the year ended 31 March 2006-2007

THE REQUIRED INFORMATION IN TERMS OF HUMAN RESOURCES ARE PROVIDED BELOW:

HR OVERSIGHT - APRIL 2006 to MARCH 2007 - Department of Provincial and Local Government				
TABLE I.1 - Main Service 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 Grants	Grants transferred for upgrading
4. Grants, funding resources	Provincial Government	Institutions		
5. Policy analysis and development	Traditional Leaders and Institutions, Parliament, Cabinet			

TABLE I.2 – Consultation Arrangements for Customers			
Type of Arrangement		Potential Customer	Actual Achievements
Provincial visits and izimbizo to consult on service delivery issues	Provincial	Communities	Community input on the improvement of services
Provincial conferences	Departments of Local Government	Civil Society	Improved communication channels and relations
Develop policies with other National Departments	Local Government		Worked with other National Departments to develop various policies
	Municipalities, Premiers Offices		Inputs received on Policy Developments

TABLE I.3 - Service Delivery Access Strategy	
Access Strategy	Actual Achievements
dplg website	dplg websites improved and accessible to all clients
Publications	dplg work continuously publicised and communicated
On site visits	

TABLE I.4 – Service Information Tool	
Type of Information Tool	Actual Achievements
dplg work continuously publicised and communicated	A list of publications is provided as an annexure C to the Annual Report
Information Technology	dplg website
Izimbizo	2 Events attended by the Ministry, Director-General and staff of the Department
IDP Nerve Centre	An internet-based information system that enables municipalities and departments to communicate key planning, programme and project-based information to one another
PIMMS Centres	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
IGMS	

Human Resources Oversight Report continued...

TABLE 1.5 - Complaint Mechanism	
Complaint Mechanism	Actual Achievements
Telephone Systems	Transparent and open communication
Letters of Complaints	Service delivery improved
Suggestion Boxes	Placed in all buildings
Meetings	Ongoing
dplg Izimbizo	4 dplg Izimbizo held.

TABLE 2.1 – Personnel costs by Programme							
Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	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
Prog 1 Admin-istration	126,735	47,977	1,150	0	37.9	254	187
Prog 2 Gov Policy & Research	37,472	16,745	164	0	44.7	294	57
Prog 3 Urban & Rural Development	7,847	4,950	46	0	63.1	309	16
Prog 4 Systems & Capacity Building	97,956	25,946	232	0	26.5	324	80
Prog 5 Free Basic Serv & Infrastructure	36,611	16,430	56	0	44.9	304	54
Prog 6 Prov and Local Gov Transfers	24,196,349	0	0	0	0	0	0
Prog 7 Fiscal Transfers	70,030	4,118	17	0	5.9	10	19
Sassa	0	0	0	0	0	0	0
Theft and losses	267	0	0	0	0	0	0
Z=Total as on Financial Systems (BAS)	24,573,267	116,166	1665	0	0.5	280	413

TABLE 2.2 - Personnel costs by Salary band					
Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Lower skilled (Levels 1-2)	805	0.7	61,923	125,914	13
Skilled (Levels 3-5)	6,126	5.3	94,246	125,914	65
Highly skilled production (Levels 6-8)	11,539	9.9	137,369	125,914	84
Highly skilled supervision (Levels 9-12)	30,731	26.5	267,226	125,914	115
Senior management (Levels 13-16)	52,029	44.8	541,969	125,914	94
Contract (Levels 3-5)	757	0.6	126,167	125,914	6
Contract (Levels 6-8)	377	0.3	75,400	125,914	5
Contract (Levels 9-12)	4,089	3.5	292,071	125,914	14
Contract (Levels 13-16)	9,713	8.4	571,353	125,914	17
TOTAL	116,166	100	279,918	125,914	413

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	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)
Programme 1 administration	30304	63.2	267	0.6	762	1.6	1469	3.1	47977
Programme 2 gov policy & research	10586	63.2	0	0	393	2.3	513	3.1	16745
Programme 3 urban and rural dev	2940	59.4	0	0	133	2.7	120	2.4	4950
Programme 4 systems & capacity build	16220	62.5	0	0	739	2.9	664	2.6	25946
Programme 5 pre-e basic serv & infrast	10892	66.3	0	0	287	1.8	433	2.6	16430
Programme 7 fiscal transfers 10001552	2995	72.7	16	0.4	66	1.6	107	2.6	4118
TOTAL	73937	63.7	283	0.2	2380	2.1	3306	2.9	116166

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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	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)
Lower skilled (Levels 1-2)	555	68.9	11	1.4	20	2.5	60	7.5	805
Skilled (Levels 3-5)	4503	73.5	61	1	58	0.9	388	6.3	6126
Highly skilled production (Levels 6-8)	8368	72.5	57	0.5	122	1.1	585	5.1	11539
Highly skilled supervision (Levels 9-12)	21102	68.7	137	0.2	495	1.6	1012	3.3	30731
Senior management (Levels 13-16)	29948	57.6	0	0	1191	2.3	1089	2.1	52029
Contract (Levels 3-5)	541	71.5	7	0.9	0	0	11	1.5	757
Contract (Levels 6-8)	274	72.7	4	1.1	0	0	0	0	377
Contract (Levels 9-12)	2889	70.7	6	0.1	119	2.9	19	0.5	4089
Contract (Levels 13-16)	5757	59.3	0	0	375	3.9	142	1.5	9713
TOTAL	73937	63.7	283	0.2	2380	2.1	3306	2.8	116166

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	223	187	16.1	1
Programme 2 Governance, Policy and Research	69	57	17.4	0
Programme 3 Urban and Rural Development	21	16	23.8	0
Programme 4 Systems and Capacity Building	110	80	27.3	8
Programme 5 Free Basic Services and Infrastructure	60	54	10	9
Programme 7 Fiscal Transfers	26	19	26.9	0
TOTAL	509	413	18.9	18

TABLE 3.2 – Employment and Vacancies by Salary Band at end of period				
Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Lower skilled (Levels 1-2), Permanent	13	13	0	0
Skilled (Levels 3-5), Permanent	98	66	38.1	0
Highly skilled production (Levels 6-8), Permanent	98	84	1.2	0
Highly skilled supervision (Levels 9-12), Permanent	145	115	24.3	0
Senior management (Levels 13-16), Permanent	113	95	19.5	0
Contract (Levels 3-5), Permanent	6	6	0	4
Contract (Levels 6-8), Permanent	5	5	0	1
Contract (Levels 9-12), Permanent	14	12	7.1	12
Contract (Levels 13-16), Permanent	17	17	0	1
TOTAL	509	413	18.9	18

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	173	133	23.1	14
Other administrative policy and related officers, Permanent	11	8	27.3	0
Secretaries & other keyboard operating clerks, Permanent	83	68	18.1	3
Senior managers, Permanent	130	112	13.8	1
TOTAL	397	321	19.1	18

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HR OVERSIGHT - APRIL 2006 to MARCH 2007 - Department of Provincial and Local Government							
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)	13	3	20	0	0	0	0
Contract (Levels 3-5)	0	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0	0
Contract (Band A)	0	0	0	0	0	0	0
Contract (Band B)	0	0	0	0	0	0	0
Contract (Band D)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	104	4	3.8	0	0	0	0
Highly skilled production (Levels 6-8)	103	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	159	7	4.7	1	14.30	0	0
Senior Management Service Band A	90	0	0	0	0	0	0
Senior Management Service Band B	32	0	0	1	0	0	0
Senior Management Service Band C	7	0	0	1	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
TOTAL	509	14	2.7	3	21.4	0	0

TABLE 4.2 – Profile of employees whose positions were upgraded due to their posts being upgraded					
Beneficiaries	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	1	1	0	0	2
Total	2	1	0	0	3
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR I.V.C.3]					
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Chief Risk Officer	1	11	13	Buy offer	413
Senior Administrative Assistant	1	6	7	Buy offer	413
Total	2				
Percentage of Total Employment	0.48				0

TABLE 4.4 - Profile of employees whose salary level exceeded the grade determined by job evaluation [i.t.o. PSR I.V.C.3]					
Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	2	2
Male	0	0	0	0	0
Total	0	0	0	2	2
Employees with a Disability	0	0	0	0	0

TABLE 5.1 - Annual Turnover Rates by Salary Band				
Salary Band	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2), Permanent	16	1	0	0
Skilled (Levels 3-5), Permanent	82	27	29	35.4
Highly skilled production (Levels 6-8), Permanent	61	24	17	27.9
Highly skilled supervision (Levels 9-12), Permanent	111	23	28	25.2
Senior Management Service Band A, Permanent	62	8	11	17.7
Senior Management Service Band B, Permanent	19	7	4	21.1
Senior Management Service Band C, Permanent	5	1	2	40
Senior Management Service Band D, Permanent	1	0	0	0
Contract (Levels 1-2), Permanent	1	0	0	0
Contract (Levels 3-5), Permanent	9	0	0	0
Contract (Levels 6-8), Permanent	3	4	0	0
Contract (Levels 9-12), Permanent	13	5	0	0
Contract (Band A), Permanent	2	1	0	0
Contract (Band B), Permanent	13	2	0	0
Contract (Band C), Permanent	1	0	0	0
TOTAL	399	103	91	22.8

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TABLE 5.2 - Annual Turnover Rates by Critical Occupation				
Occupation	Employment at Beginning of Period (April 2006)	Appointments	Terminations	Turnover Rate
Administrative related, Permanent	112	23	22	19.6
Other administrative policy and related officers, Permanent	18	1	0	0
Secretaries & other keyboard operating clerks, Permanent	62	24	12	19.4
Senior managers, Permanent	80	11	13	16.3
TOTAL	272	59	47	17.3

TABLE 5.3 - Reasons why staff are leaving the department					
Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	3	3.3	0.8	91	399
Resignation, Permanent	49	53.8	12.3	91	399
Expiry of contract, Permanent	6	6.6	1.5	91	399
Dismissal-misconduct, Permanent	1	1.1	0.3	91	399
Retirement, Permanent	3	3.1	0.8	91	399
Other, Permanent	29	31.9	7.3	91	399
TOTAL	91	100	22.8	91	399
Resignations as % of Employment	15.2				

TABLE 5.4 - Promotions by Critical Occupation					
Occupation	Employment at Beginning of Period (April 2006)	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	112	19	17	58	51.8
Other administrative policy and related officers	18	0	27.8	13	72.2
Secretaries & other keyboard operating clerks	62	3	11.3	23	37.1
Senior managers	80	2	7.5	35	43.8
TOTAL	272	24	13.6	129	47.4

TABLE 5.5 - Promotions by Salary Band					
Salary Band	Employment at Beginning of Period (April 2006)	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	16	0	0	10	62.5
Skilled (Levels 3-5), Permanent	82	10	12.2	25	30.5
Highly skilled production (Levels 6-8), Permanent	61	9	14.8	34	55.7
Highly skilled supervision (Levels 9-12), Permanent	111	7	6.3	69	62.2
Senior management (Levels 13-16), Permanent	87	2	2.3	45	51.7
Contract (Levels 1-2), Permanent	1	0	0	0	0
Contract (Levels 3-5), Permanent	9	0	0	4	44.4
Contract (Levels 6-8), Permanent	3	0	0	0	0
Contract (Levels 9-12), Permanent	13	0	0	3	23.1
Contract (Levels 13-16), Permanent	16	0	0	1	6.3
TOTAL	399	28	7	191	47.9

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	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers, Permanent	36	6	7	49	14	23	1	0	24	4	91
Professionals, Permanent	64	5	1	70	7	84	6	1	91	20	188
Clerks, Permanent	18	2	0	20	0	74	1	1	76	11	107
Service and sales workers, Permanent	2	0	0	2	1	0	0	0	0	0	3
Plant and machine operators and assemblers, Permanent	6	2	0	8	0	0	0	0	0	0	8
Elementary occupations, Permanent	9	0	0	9	0	6	1	0	7	0	16
TOTAL	135	15	8	158	22	187	9	2	198	35	413
Employees with disabilities	1	0	0	1	1	1	0	0	1	0	3

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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	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	2	2	0	4	1	2	0	0	2	0	7
Senior Management, Permanent	32	4	7	43	9	25	4	0	29	6	87
Professionally qualified and experienced specialists and mid-management, Permanent	42	3	1	46	7	50	1	1	52	10	115
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	3	0	18	1	47	1	0	48	17	84
Semi-skilled and discretionary decision making, Permanent	20	3	0	23	0	40	1	1	42	0	65
Unskilled and defined decision making, Permanent	7	0	0	7	0	6	0	0	6	0	13
Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	8	0	0	8	4	2	0	0	2	2	16
Contract (Professionally qualified), Permanent	5	0	0	5	0	8	1	0	9	0	14
Contract (Skilled technical), Permanent	0	0	0	0	0	4	1	0	5	0	5
Contract (Semi-skilled), Permanent	3	0	0	3	0	3	0	0	3	0	6
TOTAL	135	15	8	158	22	187	9	2	198	35	413

TABLE 6.3 – Recruitment											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	1	0	0	1	0	0	0	0	0	0	1
Senior Management, Permanent	3	1	1	5	1	6	0	0	6	0	12
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	4	0	2	0	0	3	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	13	0	0	13	0	3	0	0	9	1	41
Semi-skilled and discretionary decision making, Permanent	4	0	0	4	0	6	0	0	18	0	22
Unskilled and defined decision making, Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Senior Management), Permanent	2	0	0	2	0	1	1	0	1	0	3
Contract (Professionally qualified), Permanent	4	0	0	4	0	0	1	0	6	0	10
Contract (Skilled technical), Permanent	0	0	0	0	0	0	1	0	4	0	4
Contract (Semi-skilled), Permanent	1	0	0	1	0	0	0	0	4	0	5
TOTAL	31	1	1	33	1	65	2	0	67	2	103

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TABLE 6.4 - Promotions											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Senior Management, Permanent	1	0	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	2	0	0	3	2	1	0	0	1	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	2	0	0	2	0	2	0	0	2	0	4
Semi-skilled and discretionary decision making, Permanent	2	0	0	2	0	3	0	0	3	0	5
Unskilled and defined decision making, Permanent	4	0	0	4	0	6	0	0	6	0	10
Contract (Senior Management), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified), Permanent	0	0	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled), Permanent	0	0	0	2	0	0	0	0	0	1	0
TOTAL	11	0	2	13	2	12	0	0	12	1	28

TABLE 6.5 – Terminations											
Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management, Permanent	0	1	0	1	0	1	0	0	1	0	2
Senior Management, Permanent	7	1	0	8	1	2	2	0	3	0	13
Professionally qualified and experienced specialists and mid-management, Permanent	4	0	1	5	2	2	1	0	7	2	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	15	0	0	16	1	12	1	0	2	1	30
Semi-skilled and discretionary decision making, Permanent	2	1	0	2	0	18	0	0	9	0	21
Contract (Senior Management), Permanent	1	1	0	2	0	0	0	0	0	0	2
Contract (Professionally qualified), Permanent	0	0	0	5	0	4	0	0	4	0	4
Contract (Skilled technical), Permanent	1	0	0	1	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	3	0	0	3	0	4	0	0	4	1	8
TOTAL	33	4	1	28	2	43	4	0	30	4	91

TABLE 6.6 - Disciplinary Action											
Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total	
0	0	0	0	0	0	0	0	0	0	0	

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TABLE 6.7 - Skills Development											
Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	67	5	1	73	6	85	6	2	93	0	172
Professionals	0	0	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	49	8	0	57	0	81	7	0	88	1	146
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	9	0	0	9	0	4	0	0	4	0	13
TOTAL	125	13	1	139	6	170	13	2	185	1	331
Employees with disabilities	1	0	0	1	1	1	0	0	1	0	3

TABLE 7.1 - Performance Rewards by Race, Gender and Disability					
Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	69	187	37.1	1,002	14,524
African, Male	53	134	39.3	949	17,901
Asian, Female	2	2	100	20	10,080
Asian, Male	7	8	87.5	225	32,184
Coloured, Female	6	9	66.7	126	20,953
Coloured, Male	9	15	60	254	28,267
Total Blacks, Female	77	198	39.1	1,148	14,909
Total Blacks, Male	69	157	43.7	1,428	20,702
White, Female	31	36	88.6	713	23,011
White, Male	16	22	72.7	485	30,295
Employees with a disability	0	1	0	0	0
TOTAL	193	413	46.7	3,775	19,557

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)	10	13	76.9	40	4,000
Skilled (Levels 3-5)	22	65	33.8	143	6,500
Highly skilled production (Levels 6-8)	36	84	42.9	465	12,917
Highly skilled supervision (Levels 9-12)	58	115	50.4	1,284	22,138
Contract (Levels 3-5)	6	6	100	45	7,500
Contract (Levels 6-8)	1	5	20	17	17,000
Contract (Levels 9-12)	4	14	28.6	81	20,250
TOTAL	137	302	45.4	2075	15146

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	53	120	44.2	1,094	20,642
Other administrative policy and related officers	9	17	52.9	201	22,333
Secretaries & other keyboard operating clerks	29	68	42.6	294	10,138
Senior managers	47	87	54	1,442	30,681
TOTAL	138	292	47.3	3031	21964

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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	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% Of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	38	62	61.3	1,062	2,795	3.1	34,116
Band B	17	41	41.5	602	3,541	2.6	23,367
Band C	1	6	16.7	36	3,600	0.8	4,686
Band D	0	2	0	0	0	0	0
TOTAL	56	111	50.5	1700	3035.7	2.7	62169

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	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Senior management (Levels 13-16)	1	33.3	1	25	0	0	3	4	1
Contract (Levels 9-12)	0	0	1	25	1	100	3	4	1
Contract (Levels 13-16)	1	33.3	1	25	0	0	3	4	1
TOTAL	2	0	3	0	1	0	0	0	0

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	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations	0	0	1	25	1	100	3	4	1
Professionals and managers	2	66.7	3	75	1	100	3	4	1
TOTAL	2	0	4	0	2	0	0	0	0

TABLE 9.1 - Sick Leave for Jan 2006 to Dec 2006								
Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% Of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Lower skilled (Levels 1-2)	79	84.8	8	2.6	10	13	304	67
Skilled (Levels 3-5)	315	76.2	52	17.1	6	73	304	240
Highly skilled production (Levels 6-8)	379	79.9	63	20.7	6	136	304	303
Highly skilled supervision (Levels 9-12)	503	74	90	29.6	6	403	304	372
Senior management (Levels 13-16)	434	82.5	68	22.4	6	796	304	358
Contract (Levels 3-5)	7	57.1	4	1.3	2	2	304	4
Contract (Levels 6-8)	1	100	1	0.3	1	0	304	1
Contract (Levels 9-12)	52	69.2	13	4.3	4	46	304	36
Contract (Levels 13-16)	26	88.5	5	1.6	5	57	304	23
TOTAL	1 796	78.2	304	100	6	1 526	304	1 404

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2006 to Dec 2006								
Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% Of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	141	100	2	66.7	71	58	141	3
Senior management (Levels 13-16)	27	100	1	33.3	27	47	27	3
TOTAL	168	100	3	100	56	105	168	3

Human Resources Oversight Report continued...

TABLE 9.3 - Annual Leave for Jan 2006 to Dec 2006

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	284	22	13
Skilled (Levels 3-5)	1 176.92	16	75
Highly skilled production (Levels 6-8)	1663	18	92
Highly skilled supervision (Levels 9-12)	2 327.96	18	128
Senior management (Levels 13-16)	2061	19	107
Contract (Levels 1-2)	12	12	1
Contract (Levels 3-5)	104	9	11
Contract (Levels 6-8)	31	8	4
Contract (Levels 9-12)	220	13	17
Contract (Levels 13-16)	212	11	19
TOTAL	8 091.88	17	467

TABLE 9.4 - Capped Leave for Jan 2006 to Dec 2006

	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2006	Number of Employees as at 31 December 2006
Lower skilled (Levels 1-2)	6	2	54	3	536	10
Highly skilled production (Levels 6-8)	18	5	24	4	694	29
Highly skilled supervision (Levels 9-12)	39	6	39	7	2 179	56
Senior management (Levels 13-16)	86	12	34	7	1 418	42
TOTAL	149	7	35	21	4 827	137

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Leave payout for 2006/07 due to non-utilisation of leave for the previous cycle	105	8	13 125
Capped leave payouts on termination of service for 2006/07	278	35	7 943
Current leave payout on termination of service for 2006/07	81	15	5 400
TOTAL	464	58	8 000

HR OVERSIGHT - APRIL 2006 to MARCH 2007 - Department of Provincial and Local Government	
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 & related diseases (if any)	Key steps taken to reduce the risk
All staff	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

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 I 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 R342 825
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.	√		Employee Assistance Programme (referrals and counselling) leadership support

Human Resources Oversight Report continued...

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]			
Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter I 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.	√		Ms Xoliswa Saila Ms Maggie Mmanchidi Ms Lilian Moreo Representing all dplg branches
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.
Question	Yes	No	Details, if yes
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 voluntarily share the results with QWL professionals.
8. Has the department developed measures/indicators to monitor & 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	
None	

TABLE 11.2 - Misconduct and Discipline Hearings Finalised			
Outcomes of disciplinary hearings	Number	Percentage of Total	Total
TOTAL	1	100	1

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings			
Type of misconduct	Number	Percentage of Total	Total
Forging of signatures	1	50	1
Forged matric certificate	1	50	1
TOTAL	2	100	2

TABLE 11.4 - Grievances Lodged			
Number of grievances addressed	Number	Percentage of Total	Total
TOTAL	13	100	13

TABLE 11.5 - Disputes Lodged		
Number of disputes addressed	Number	% Of total
Upheld	0	0
Dismissed	2	100
Total	2	

TABLE 11.6 - Strike Actions		
Strike Actions		
Total number of person working days lost	0	
Total cost (R'000) of working days lost	0	
Amount (R'000) recovered as a result of no work no pay	0	

TABLE 11.7 - Precautionary Suspensions		
Precautionary Suspensions		
Number of people suspended	2	
Number of people whose suspension exceeded 30 days	1	
Average number of days suspended	90	
Cost (R'000) of suspensions	13827	

Human Resources Oversight Report continued...

TABLE 12.1 - Training Needs identified						
Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	66	0	66
	Male	63	0	53	0	53
Professionals	Female	111	0	0	0	0
	Male	77	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	87	0	77	0	77
	Male	20	0	39	0	39
Service and sales workers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	8	0	0	0	0
Elementary occupations	Female	7	0	0	5	5
	Male	9	0	0	3	3
Gender sub totals	Female	233	0	143	5	148
	Male	180	0	92	3	95
Total		413	0	235	8	243

TABLE 12.2 - Training Provided						
Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	93	0	93
	Male	63	0	79	0	79
Professionals	Female	111	0	0	0	0
	Male	77	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	87	0	89	0	89
	Male	20	0	57	0	57
Service and sales workers	Female	0	0	0	0	0
	Male	3	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	8	0	0	0	0
Elementary occupations	Female	7	0	0	4	4
	Male	9	0	0	9	9
Gender sub totals	Female	233	0	182	4	186
	Male	180	0	136	9	145
Total		413	0	318	13	331

TABLE 13.1 - Injury on Duty		
Nature of injury on duty	Number	% Of total
Required basic medical attention only	1	50
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	50
Total	2	

Human Resources Oversight Report continued...

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
Service provider to undertake the administrative, communications and secretarial work of the IGR stakeholder relations directorate	1	730 Days	R144 000 00
Appointment of service provider for the financial analysis and reporting for the 2006 PRESIDENTIAL IZIMBIZO	1	5 Days	R177840 00
A service provider for the regulatory review of IDP and rationalization of sector planning	1	35 Days	R99 950 00
Development of a consolidated report on SADC local government	1	10 Days	R44 000 00
Events manager for the mayors conference with National and Provincial Government	5	20 Days	R86 000 00
Appointment of an advisor from Travelworks to conduct travel agent quarterly review for 2006/2007 financial year and assist the dplg with travel matters	1	7 Days	R37 677 00
Appointment of a service provider to develop a training manual/ toolkit and training programme	2	40 Days	R200 000 00
Translation of municipal act and other related matters pertaining to the act from English to Isizulu	1	10 Days	R198 000 00
Study to assess the level of preparedness of national Department to support Local Economic Development	5	85 Days	R112 860 00
Assessment study into Department of Local Government	2	60 Days	R403 184 00
Commissioning a service provider to finalise implementation protocols between Provinces that shared Cross Boundaries Municipalities	1	12 Days	R99 819 60
Development of the definitions of powers and functions contained in schedule 4 and 5 of the constitution	1	15 Days	R146 550 00
Conceptualisation of the Development component of the revised local government equitable share (LGES) formula	1	13 Days	R199 966 83
The appointment of a service provider to render technical support to the Monitoring and Evaluation function in the department	1	270 Days	R712 800 00
The event manager for the conference on municipal Infrastructure policy strategy conference 28 & 29 August 2006	3	7 Days	R135 400 00
Procurement of a service provider to conduct two municipal peer reviews and the development of improvement plans	2	30 Days	R177 840 00
Development of an additional chapter in the SADC handbook	2	40 Days	R40 939 50
Appointment of an events management company for the women in local government conference	3	30 Days	R95 400 00
Refinement of draft national profile framework for councillors	1	24 Days	R136 080 00
Development of priority disaster management guidelines	1	90 Days	R199 400 00

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
A service provider to refine the national capacity building framework	2	33 Days	R183 637 00
Development of Regulations/Guidelines to be issued out in terms of the intergovernmental relations	1	32 Days	R142 500 00
Support team to assist in assessing service delivery needs in selected Municipalities	4	58 Days	R199 272 00
To develop a framework document for monitoring and reporting on service delivery backlogs consistently across the three tiers/spheres of Government	2	26 Days	R176 400 00
A service provider to develop the municipal infrastructure Asset Management Guidelines	2	30 Days	R197 505 00
Assistance and support with the programme of the national implementation of the disaster management Act and the National Disaster Management Framework	1	50 Days	R182 400 00
Rendering of programme management services to create and provide a smooth transition from project consolidate to the implementation of the 5-year local government strategic agenda	6	455 Days	R1 960 000 00
Post disaster impact survey on George, Swellendam and Knysna Municipalities	4	50 Days	R68 400 00
Appointment of a consultant to assist with logis data capturing and training for asset register	1	45 Days	R115 200 00
Service provider for conducting a preliminary impact assessment for the Khayelitsha Mitchells Plain Urban Renewal Programme	3	24 Days	R99 693 00
International and donor relations organisational review	8	25 Days	R199 910 00
Service provider to assist with the auditing of municipal performance excellence (Vuna) awards	6	25 Days	R182 400 00
A service provider for archiving information and document management for chief directorate intergovernmental relations	2	132 Days	R165 300 00
A service provider for preparing a strategy for aligning housing and infrastructure	3	11 Days	R95 304 00
Service provider to review of documents management and filing systems communication on products and processes of the directorate	5	36 Days	R197 676 00
Appointment of the service provider to assist with the development of the composite national annual performance report	3	25 Days	R189 280 00
A service provider for analysing and packaging the ISRDP nodal IDPs in the form of the specific interventions per sector per node	3	30 Days	R196 570 20
A service provider for PDMC demonstration	4	16	R74 318 82
Rendering of an advisory services in the office of the CFO	1	90 Days	R180 000 00
A service provider for population and updating of municipal information monitoring system with financial data	1	25 Days	R193 000 00
Service provider for local government discussion document	1	20 Days	R30 000 00

Human Resources Oversight Report continued...

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
Service provider for analysis of knowledge products stemming from donor supported programme within the Directorate International Donor Relations	5	90 Days	R198 353 00
Appointment of a facilitator to facilitate three workshops on the draft strategy for Provincial and Municipal International Relations	3	26 Days	R193 824 00
Refinement of the capacity assessment tool	1	10 Days	R39 000 00
Development of a five year strategic plan and a 2007/08 business plan for the branch Urban and Rural Development	3	9 Days	R60 420 00
Event manager for the briefing session with councillors	3	7 Days	R96 800 00
Service provider for the implementation of the project knowledge management implementation plan for Project Consolidate			
Limpopo	1	730 Days	R480 000 00
Eastern cape	1	730 Days	R475 000 00
Kwa-Zulu Natal	1	730 Days	R480 000 00
Project management for municipal performance excellence awards (Vuna)	5	334 Days	R1 993 803 00
Event management for the municipal performance excellence awards (Vuna)	2	116 Days	R831 900 00
Training of municipal and provincial practitioners in project management and implementation	4	130 Days	R678 091 00
Conducting a local government human resource skills audit and establishing related information	4	730 Days	R13 155 563 52
Service provider for the implementation of the project knowledge management implementation plan for Project Consolidate			
Gauteng	1	365 Days	R180 000 00
Northern cape	1	365 Days	R180 000 00
Free state	1	365 Days	R180 000 00
Western cape	1	365 Days	R180 000 00
Mpumalanga	1	365 Days	R180 000 00
North west	1	365 Days	R180 000 00

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 worked on the project
Service provider to undertake the administrative, communications and secretarial work of the IGR stakeholder relations directorate	100	100	1
Appointment of service provider for the financial analysis and reporting for the 2006 Presidential Izimbizos	30	30	0
A service provider for the regulatory review of IDP and rationalization of sector planning	0	0	0
Development of a consolidated report on SADC local government	100	100	1
Events manager for the Mayors Conference with national and provincial government	50	50	1
Appointment of an advisor from Travelworks to conduct travel agent quarterly review for 2006/2007 financial year and assist the dplg with travel matters	0	0	0
Appointment of a service provider to develop a training manual/ toolkit and training programme	100	100	1
Translation of municipal act and other related matters pertaining to the act from English to Isizulu	100	50	1
Study to assess the level of preparedness of national department to support local economic development	100	100	1
Assessment study into department of Local Government	50	50	2
Commissioning a service provider to finalise implementation protocols between Provinces that shared Cross Boundaries Municipalities	50	50	0
Development of the definitions of powers and functions contained in schedule 4 and 5 of the constitution	0	0	0
Conceptualisation of the development component of the revised Local Government Equitable Share (LGES) formula	38.5	20.5	1
The appointment of a service provider to render technical support to the monitoring and evaluation function in the department	0	0	0
The event manager for the conference on municipal infrastructure policy strategy conference 28 & 29 August 2006	33	33	1
Procurement of a service provider to conduct two municipal peer reviews and the development of improvement plans	66	33	1
Development of an additional chapter in the SADC handbook	100	100	2
Appointment of an events management company for the women in local government conference	50	50	1
Refinement of draft national profile framework for councillors	60	60	0
Development of priority Disaster Management guidelines	100	100	1

Human Resources Oversight Report continued...


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 worked on the project
A service provider to refine the national capacity building framework	0	0	0
Development of Regulations/Guidelines to be issued out in terms of the intergovernmental relations	0	0	0
Support team to assist in assessing service delivery needs in selected Municipalities	34.01	0	2
To develop a framework document for monitoring and reporting on service delivery backlogs consistently across the three tiers of Government	0	0	0
A service provider to develop the Municipal Infrastructure Asset Management Guidelines	80	80	1
Assistance and support with the programme of the national Implementation of the Disaster Management Act and the National Disaster Management Framework	0	0	0
Rendering of programme management services to create and provide a smooth transition from Project Consolidate to the implementation of the 5-year local government strategic agenda	100	100	100
Post disaster impact survey on George, Swellendam and Knysna Municipalities	0	0	0
Appointment of a consultant to assist with logis data capturing and training for asset register	100	100	1
Service provider for conducting a Preliminary impact assessment for the Khayelitsha Mitchells Plain Urban renewal programme	66.66	66.66	0
International and donor relations organisational review	100	60	6
Service provider to assist with the auditing of municipal performance excellence (Vuna) awards	30	30	2
A service provider for archiving information and document management for chief directorate intergovernmental relations	100	100	1
A service provider for preparing a strategy for aligning housing and infrastructure	50	50	0
Service provider to review of documents management and filing systems communication on products and processes of the directorate	67	67	2
Appointment of the service provider to assist with the development of the composite national annual performance report	69	64	1
A service provider for analysing and packaging the ISRDP Nodal IDPs in the form of the specific interventions per sector per node	100	100	1
A service provider for PDMC demonstration	32	32	0
Rendering of an advisory services in the office of the CFO	0	0	0

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 worked on the project
A service provider for population and updating of municipal information monitoring system with financial data	41	41	0
Service provider for local government discussion document	50	50	0
Service provider for analysis of knowledge products stemming from donor supported programme within the directorate international donor relations	0	0	0
Appointment of a facilitator to facilitate three workshops on the draft strategy for provincial and municipal international relations	100	100	1
Refinement of the capacity assessment tool	0	0	0
Development of a five year strategic plan and a 2007/08 business plan for the branch urban and rural development	0	0	0
Event manager for the briefing session with councillors	33	33	1
Service provider for the implementation of the project knowledge management implementation plan for Project Consolidate			
Limpopo	100	100	1
Eastern cape	50	50	1
Kwa-Zulu Natal	66	66	1
Project management for municipal performance excellence awards (Vuna)	50	50	2
Event management for the municipal performance excellence awards (Vuna)	100	100	1
Training of municipal and provincial practitioners in project management and implementation	0	0	0
Conducting a local government human resource skills audit and establishing related information	100	100	2
Service provider for the implementation of the project knowledge management implementation plan for Project Consolidate			
Gauteng	50	50	1
Northern cape	50	50	1
Free state	50	50	1
Western cape	50	50	1
Mpumalanga	50	50	1
North west	50	50	1

Addendum A

List of Legislation Administered by the dplg

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 I 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).
 36. Fire Brigade Services Act, 1987 (Act No. 99 of 1987).
-

Addendum B

List of the **dplg** publications

1. A Practical Guide on Municipal Service Partnerships (2006 – 2010).
2. Annual Report, 2005/06.
3. Breede River Local Municipality: Water Services on Farms.
4. Free Basic Services Lesson Series in collaboration with Water Information Network of South Africa (2006/2007).
5. Greater Giyani Local Municipality: Turn-Around Strategy.
6. Guidelines for Credible Integrated Development Plans, September 2006.
7. Guidelines for District Growth and Development Summits.
8. Guidelines: Multi-dimensional Targeted Approach to Support Municipalities on Infrastructure Services Delivery, Applicable from 1 April 2007, **dplg** website.
9. Guidelines: Municipal Infrastructure Asset Management, Applicable from 1 April 2007, **dplg** website.
10. Guidelines: Sustainable Municipal Infrastructure Provision and Service Delivery, Applicable from 1 April 2007, **dplg** website.
11. Intergovernmental Relations toolkit, March 2007:
 - Draft Guidelines for managing Joint programmes: for public comment,
 - Draft implementation protocol guide,
 - Guidelines on the allocation of additional Powers and Functions to municipalities,
 - Intergovernmental Co-operation and agreements: an introduction: March 2007,
 - Intergovernmental Disputes Prevention and settlement: Guidelines for effective conflict Management.
 - Intervening in Provinces and Municipalities: Guidelines for the application of sections 100 & 139 of the Constitution,
 - Practitioner's Guide to Intergovernmental Relations in South Africa,
 - Practitioner's guide to the intergovernmental relations system in South Africa,
 - Understating Intergovernmental relations.
12. Interim Impact Assessment Alfred Nzo Nodal Municipality: Integrated Sustainable Rural Development, June 2006.
13. Interim Impact Assessment Maluti-A-Phofung: Integrated Sustainable Rural Development, June 2006.
14. Local Government Anti-corruption strategy.
15. Local government: municipal performance regulations for municipal managers and managers directly accountable to municipal managers, 2006.
16. Local Government: Municipal Property Rates Act, 2004 (ACT NO. 6 OF 2004): The Municipal Property Rates Regulations, 2006.
17. Madibeng Local Municipality: Successful Implementation of Donor Materials.
18. The National Political Champions of the URP, 2006/2007.
19. National Urban Renewal Programme:
 - Implementation Framework,
 - Lessons Learnt,
 - Toolkit for Programme Managers.
20. Proposed Government-wide National Programme of support for the Institution of Traditional Leadership.
21. Project Consolidate A COLLECTION OF CASE STUDIES Knowledge Management Series Vol 1 & 2, November 2006.
 - Volume 1: An 'Outline of the work done through the deployment of Service Delivery Facilitators'
 - Volume 2: 'Project Consolidate, making a difference to ordinary people's lives: A collection of case studies'
22. Standard Operating procedures for ODA Management in the **dplg** and in support of the sector, March 2006.
23. Status of municipal IDP'S and IDP engagements Draft Report, June 2006.
24. Steve Tshwete Local Municipality: Holds the Strings Together.
25. Urban and Rural development Guidelines for Participation.
26. Urban Renewal Programme Urban news:
 - Integrated Sustainable Rural Development Programme: Rural Focus.
 - Progress in the Implementation of ISRDP and URP, November 2006,
 - Nodal Report Interim Impact Assessment: Alexandra Urban Renewal Programme, June 2006.



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Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.