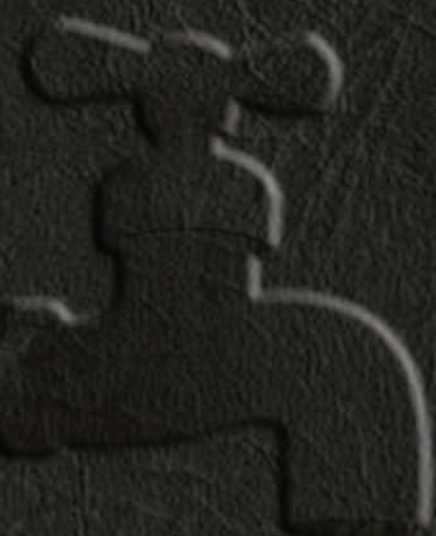


ANNUAL REPORT 2014 / 2015



WATER
FOR
ALL
IN
A
SAFE
TONE
IS DIGNITY



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

PART A

GENERAL INFORMATION



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1 DEPARTMENT GENERAL INFORMATION

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2 LIST OF ABBREVIATIONS/ACRONYMS

| Abbreviation/acronym | Description |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| ACIP | Accelerated Community Infrastructure Programme |
| AMCOW | African Ministers' Council on Water |
| AMD | Acid Mine Drainage |
| APP | Approved Professional Person |
| ARF | African Renaissance Fund |
| BNC | Bi-National Commission |
| BP | Business Plan |
| BRICS | Brazil, Russia India china and South Africa |
| CBWS | Cross Border Water Supply |
| CMA | Catchment Management Agency |
| COP | Conference of the Parties |
| CRM | Customer Relations Relation |
| DEA | Department Environmental Affairs |
| DIRCO | Department of International Relations and Cooperation |
| DRC | Democratic Republic of the Congo |
| DWS | Department of Water and Sanitation |
| DWWWM | Drinking Water and Waste Water Management |
| EC | Eastern Cape |
| ECOMAG | A division of REAG Tekna, American Appraisal Group specialising in environmental consulting, energy, engineering and health and safety |
| EIA | Environmental Impact Assessment |
| EMP | Environmental Management Plan |
| EU | European Union |
| FS | Free State |
| HDI | Historically Disadvantaged Individual |
| IA | Implementing Agent |
| IWQMS | Integrated Water Quality Management Strategy |
| JICA | Japan International Cooperation Agency |
| JSNC | Joint Study management Committee |
| JWC | Joint Water Commission |
| JWRSC | Joint Water Resource Steering Committee |
| KOBWA | Komati Basin Water Authority |
| KZN | KwaZulu-Natal |
| LIMCOM | Limpopo River Basin Commission |
| LM | Local Municipality |
| LP | Limpopo |
| MI | Mega litres |
| MOU | Memorandum of Understanding |
| MP | Mpumalanga |
| MU | Monash University |
| NAP | National Action Plan |
| NC | Northern Cape |

| Abbreviation/acronym | Description |
|----------------------|-----------------------------------------------------------------|
| NEPAD | New Partnership for Africa's Development |
| NIWIS | National Integrated Water Information System |
| NW | North West |
| NWRS | National Water Resource Strategy |
| ODA | Official Development Assistance |
| ORASECOM | Orange-Senqu River Basin Commission |
| ORIO | Netherland Facility for Infrastructure Development |
| PDP | Personal Development Plan |
| PPI | Programme Performance Indicator |
| PPP | Public Participation Programme |
| PSP | Professional Service Provider |
| RAP | Relocation Action Plan |
| RBIG | Regional Bulk Infrastructure Grant |
| RHIP | Rural Household Infrastructure Programme |
| RQO | Resource Quality Objectives |
| SADC | Southern African Development |
| SAP | Strategic Action Programme |
| SFRA | Stream Flow Reduction Activities |
| SIU | Special Investigation Unit |
| SIWI | Stockholm International Water Institute |
| SLA | Service Level Agreement |
| SWPN | Strategic Water Partnership Network |
| SWWW | Stockholm World Water Week |
| TCTA | Trans Caledon Tunnel Authority |
| TPTC | Tripartite Permanent Technical Committee |
| UNCSD | United Nations Conference on Sustainable Development |
| UNESCO | United Nations Educational Scientific and Cultural Organisation |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNGA | United Nations General Assembly |
| UNSGAB | United Nations Secretary General Advisory Board |
| WB | Water Board |
| WC | Western Cape |
| WCWDM | Water Conservation Water Demand Management |
| WEF | World Economic Forum |
| WfWP | Women for Water Partnership |
| WMA | Water Management Area |
| WRC | Water Research Commission |
| WRG | Water Resource Group |
| WUC | Water Utilities Cooperation |
| WWC | World Water Council |
| WWD | World Water Day |
| WWF | World Water Forum |
| WWTW | Wastewater Treatment Works |



FOREWORD BY THE MINISTER

It gives me great pleasure to present the Annual Report for the 2014/15 financial year of the newly established Department of Water and Sanitation.

The Department of Water and Sanitation was born out of the wisdom of the President and the mandate given to us by the people of South Africa to provide them with water and decent sanitation. Its establishment included the transfer of the Sanitation function from the Department of Human Settlements to its current location alongside Water.

The National Development Plan also, as our policy cornerstone, directs that we create alignment in institutions and in the structure of the state in order to respond efficiently to the needs of our country and its people.

The location of water and sanitation in one department is surely a commitment to deliver on our constitutional obligations and to service our people efficiently and adequately. It is also an appreciation of challenges to accelerate service-delivery.

Water is Life and Sanitation is Dignity! With this in mind, the journey to fast-track the promulgation of the department and the equally pressing delivery targets have made the past year an eventful one.

This merging of functions was initially misunderstood. Broadly sanitation was regarded as “an add-on” or even “a stepchild” to the then Department of Water Affairs. There was therefore a need for a change of mindset with regard to the equality of importance of the delivery of both functions.

There are major lessons to be learnt in ensuring security of water supply for a water-scarce country such as ours. There is a need to appreciate that the current major water infrastructure has been developed over time. This implies a definite need for continuous expert operations and maintenance of this infrastructure.

Such operations and maintenance need the requisite skills and expertise especially in the far flung rural villages and towns. Such skill and expertise have proved difficult to attract and retain in these areas based on their location and coupled with the inability of our rural municipalities to afford these skills given their limited or even non-existent revenue bases.

The department thus continues with its responsibility to plan and deliver for the future, considering that our work is not just for the current and is especially crucial for posterity.

For the period under review, a number of water infrastructure projects were constructed with eight (8) regional bulk infrastructure projects completed. Although there were no water resource infrastructure projects that were completed during the year, work is at an advanced stage for Phase 2C of the Olifants River Water Resource Development Project (ORWRDP-2C) with 39 kilometres of the 40 kilometre pipeline from De Hoop Dam to Steelpoort laid. Phase 1 of the Mokolo and Crocodile West Augmentation Project (MCWAP-1) is also at an advanced stage with the entire 43 kilometre pipeline laid.

The water services projects completed through the Regional Bulk Infrastructure Grant (RBIG) programme include the Colesberg Bulk Water Supply in the Northern Cape, the Ermelo Bulk Water Supply in Mpumalanga, the Westonaria Regional Wastewater Treatment Works (also known as Hannes van Niekerk) in Gauteng.

During the period under review, over 90 000 households were provided with basic or interim water supply in 24 priority districts of the Eastern Cape, North West, Limpopo, Free State, KwaZulu-Natal and Northern Cape.

It is our strong contention, upon which we will act, that never again will there be a single purpose dam built in the country. We will continue to ensure that dams serve the people living around their environs; with the example of the work we have done around Jozini Dam and reticulation to the residents around it, that had for close to forty years been unable to enjoy the benefits of the dam.

With regard to issues of the delivery of dignified and sustainable sanitation, the department's priority has been to deal with the legacy of the bucket toilet system in formal areas. Whilst the initial scope in 2013 was to deal with eradicating buckets with dry on-site sanitation, a TROIKA of the Ministries of Human Settlements, Water and Sanitation, and COGTA directed the implementation of waterborne sanitation in all the formal settlements.

This change in scope has prolonged the efforts of government to eradicate bucket toilets, however the programme is making steady progress in providing decent sanitation to the affected communities.

Furthermore, a significant backlog exists in rural areas throughout the country due to the remoteness of the settlements to provide services and/or the low density of the settlements; has neglected these communities for many years. The Rural Households Infrastructure Grant (RHIG) therefore seeks to provide a basic level of service by providing dry on-site sanitation facilities.

The sector has seen the evolution of the basic toilets being a dry sanitation facility to a pour flush toilets (low water usage toilets) with the improved front-end pedestal to a full waterborne sanitation as a spectrum of solution available depending on the geographical location and characteristics of the area.

Together with the Water Research Commission (WRC), the Department has launched a platform on which inventors and manufactures can submit various technologies that may potentially address the sanitation challenges. The technologies will be subject to rigorous review after which such technologies will be recommended to the department and the public at large as functional, cost effective and appropriate solutions. In this regard, the innovative approaches to resolve the sanitation challenges become critically importance.

All the work that the department has to do cannot be achieved without a stable management structure. In this regard there was a dire need to fill the post of the Accounting Officer when we were appointed. We have been very fortunate to attract a dedicated and seasoned civil servant in the person of the current Director-General, Ms. Margaret-Ann Diedricks.

We are truly grateful that she accepted the invitation to join the department and in the short span of time that she has been at the helm, there has been a visible change of attitude and thus a new work ethic.

As the Accounting Officer's input will reflect, stability at the top was necessary for this very critical department. We have a basic and yet very important job to do. The centrality of water to all socio-economic development cannot be downplayed. At the same time, the fact that the delivery of sanitation lags behind, is a critical driver that must take our efforts on an ever rising trajectory.

The fact that we had under-expenditure in the previous financial year is a reason for us to increase our efforts and to be vigilant and responsive to our challenges. The Accounting Officer has put systems in place that demand absolute performance from all involved. This will ensure that at the end of the current financial year and going forward, our expenditure patterns must be in line with our deliverables; all our targets must be met, and in time. Our people demand that.

I thank the Deputy Minister for the support in this first year of our time together in this portfolio. Her guidance and advice has been and continues to be most appreciated.

I thank the Accounting Officer and her team; I believe that we have only just begun.

The support and guidance of the Portfolio and Select Committees have also been invaluable.



Nomvula Mokonyane
Minister
Water and Sanitation



DEPUTY MINISTER STATEMENT

The 2014/2015 financial year gave me a very good understanding of the Department of Water and Sanitation and an appreciation of the broad water sector activities.

The department, as the custodian of water resources, championed the mobilisation of all water and sanitation stakeholders. This exciting experience unleashed new approaches and new role players.

Our new role players included women's groups in construction, rural champions of development, research units in tertiary institutions, provincial governments as champions in the improvement of water and sanitation infrastructure, young people as developers of new technologies, artists as water ambassadors, learners as water agents and Water Boards that for the first time aligned their priorities to those of the department.

Our approaches in this financial year included working with other departments such as Human Settlements and Cooperative Government and Traditional Affairs to ensure the provisioning of water infrastructure and adequate sanitation facilities, as part of enhancing social cohesion and human settlement development.

We have successfully through the Back to Basics Programme established joint planning sessions where we have agreed that integrated development cannot take place without reliable and sustainable water as well as adequate sanitation.

The department also worked closely with individual municipalities in improving their ageing infrastructure and providing capacity where technical skills were needed most.

The department has also put plans in motion to understand the scope of water and sanitation backlogs in the country. The details of that report will be made available in the current financial year as individual provinces have to make their own determinations in consultation with the relevant programme managers at head office.

The department has also built strong partnerships with most schools in the country and their relationship will be sustained going forward through mutual cooperation in water conservation and demand management initiatives involving young learners.

The participating schools have been rewarded with state of the art sponsored media classrooms in order to improve research capacity and communication connectivity.

The civil society has been at hand throughout this year to give support to the protection of infrastructure and raising awareness among communities on water conservation.

This financial year has put the department on a sound footing in unfolding transformation of the water sector. We are creating a balance in as far as gender equality is concerned through women to women only procurement policies and capacity development of women entrepreneurs.

We are also happy to note a sizeable intake of female trainees in both the Learning Academy and in the tertiary institutions where the department is sponsoring bursaries.

The transformation of the water and sanitation sector will continue and rollout unabated towards equitable distribution of water, giving priority to household users, agriculture, manufacturing industry and the mining sector.

Our water distribution plan will be anchored on the skill base that we seek to mobilise in the next five years through the artisan and plumber development programme. It is my honest belief that the Department of Water and Sanitation is leading the way in the transformation of our society.

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

Pamela Tshwete (MP)
Deputy Minister
Water and Sanitation



REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the department

During the period under review the Department of Water and Sanitation implemented its strategic priorities that contributed to the realisation of government's outcomes. Through the various programmes, the department continued its commitment to effectively manage the nation's water resources to ensure equitable and sustainable socio-economic development and universal access to water and dignified sanitation.

One of the main objectives we had, was to clarify the mandate of the new Department of Water and Sanitation; to distinguish it from that of the previous Department of Water Affairs, particularly in relation to the function of sanitation. We have been able to make some headway in ensuring that the function of sanitation which has been largely captured and centred falsely on the issues of bucket eradication; is widely understood.

Another aspect that we have focused on is the issue of water governance. The Minister of Water and Sanitation has directed the role and responsibilities of the water boards and entities such as the TCTA and the Water Research Commission to ensure that there is alignment between them and the mandate of the Department. Fundamentally water boards and entities are an extension of the Department and so we continue to work closely with them.

We have thoroughly ensured that decision making is stream-lined and we've been able to issue specific delegations which have been authorised by the Minister both from the human resources and financial delegations to ensure that our decision making stands out to scrutiny.

We will therefore continue to work and ensure that our risk and internal audit is strengthened and that we consequently are able to deal with any lapses around decision making to give effect to the turnouts of the PFMA.

However, our biggest achievement can be said to be the achievement of an unqualified audit opinion for the Water Trading Entity (WTE) and the improvement made with regards to our Main Account, for which there was a qualified opinion. We also believe that we have made significant strides in ensuring that our controlled environment is able to stand up to scrutiny and is intact.

South African Water and Sanitation/WESSA Eco-Schools Water Project

The project was born from the discussions during the 2013 United Nation's International Year of Water Cooperation which raised awareness regarding the importance of multiple actors working together for better water management. Its main objective is to strengthen water education through the implementation of the eco-schools seven step framework. Some of the results achieved include improved school management with a focus on the environment and sustainability; improved data collection upon which water-wise decisions can be made; increased environmental awareness and knowledge; and development of local relationships with partners involved in water management and education. During the period under review the project received the first prize in the "Best participatory, communication, awareness-raising and education practices" category that was awarded by the UN Office to Support the International Decade for Action "Water for Life" 2005 – 2015.

Water information management

In an effort of integrating the department's information systems that support the functional areas of water resources, water infrastructure and water services; the department developed the National Integrated Water Information System (NIWIS). This system will enable the department's management and other users to access the status of water from one platform instead of having to query a number of separate systems. It is based on a series of dashboards linked to other systems in order to centralise reporting and it will provide a one-stop-point to the water sector and the general public. Some of the benefits of this system include a centralised repository of information to decision makers and water managers; dynamic display of critical information for reporting and quick decision-making; ability to drill down and query the most basic available data from national to a water management area.

Water Infrastructure Management

The most important focal point of this mandate is the provision of storage facilities for our water through storage infrastructure and regional bulk water infrastructure and to also assist municipalities in areas where they are struggling. The department has gone beyond its core with regards to assisting the 139 municipalities with examples of our interventions at the Makana and Madibeng Municipalities.

The interventions have brought to the fore the reality of the achievements that are possible through healthy inter-governmental relations. Through collective responsibility, the national, provincial and local governments have succeeded in stabilising the delivery of essential water and sanitation services in these municipalities and we believe the experience will be replicated across the country.

The key water supply projects that we will continue to work on and we are optimistic that we will be able to deliver on, include the raising of the Hazelmere Dam and Clanwilliam Dam. We were also able to bring into operation other projects like the Sebokeng Sewer Reticulation System (SSRS) which will address the growing demand due to the growing population and industries in the Vaal area.

One of our greatest goals is that we are able to deliver on our water infrastructure plans as this will enable us to take a long term view with regards to the provision of water from a resource point of view. This we will achieve by ensuring that we have a very clear methodology on planning for our infrastructure projects.

National Sanitation Services

The presidential pronouncement of creating a new Department of Water and Sanitation resulted in the transfer of sanitation function from the Department of Human Settlements to the new Department. This transfer was not just a re-arrangement of two complimentary functions of "water and sanitation" but for improved co-ordination of the sector and provision of sanitation services in South Africa.

We are currently working towards an understanding that sanitation is about the provision of a function and also on the oversight of other authorities that have a significant role in sanitation provision such as municipalities and water boards. Dry sanitation is only a small part of what we do and water remains a central element for the provisioning of sanitation; it would therefore be vital that other water sector stakeholders understand their part when it comes to the provision of sanitation.

Part of our main focus in the last financial year was to better position the department in terms of reaching and fulfilling its mandate as the Department of Water and Sanitation by ensuring that there are necessary resources adjustments towards the provisioning of the sanitation function, in terms of both human and financial resources.

The department aims to continue to look at the programme that we started in the last financial year that deals with establishing alternative innovative no-water or less water sanitation methods aimed at relieving the pressure currently experienced by our water resources as a result of water borne sanitation methods. We are optimistic that we will be able to make decisive resolutions and put alternatives for the Minister to authorise.

Sanitation backlogs are found in new settlement areas, service extensions, upgrading of settlement areas and never served before settlements; some 2,2 million households are said to be experiencing a below basic level of service or inadequate level of services. To this end, the department sought to develop a Water and Sanitation Master Plan which in the main will address the sanitation backlogs.

In an effort to accelerate the eradication of bucket sanitation in formal settlements, the department plans to replace up to 32 000 bucket sanitation systems with adequate sanitation services during the 2015/16 financial year.

In addition, plans are underway to eradicate the sanitation backlog in over 38 000 rural households over the 2015/16 to 2017/18 medium term period.

International Water Cooperation

The work of finalising the Vioolsdrift feasibility study that will inform South Africa and Namibia of further options of water security on the Lower Orange River; is at an advanced stage. In addition, the work of finalising the study for South Africa to abstract water from the Zimbabwe river system is also at an advanced stage.

The department continued to engage with riparian states in the Orange-Senqu area with Botswana, Lesotho and Namibia by participating in the review of the Orange-Senqu Commission (ORASECOM) agreement to ensure the incorporation of the national basin plan in the basin-wide Strategic Action Plan.

The department welcomed 34 Cuban engineers with a view of building capacity in the water sector. Subsequent to the signing of the South Africa-Netherlands Memorandum of Understanding (MoU), a governance structure was established and an action plan developed in order to ensure the effective implementation of the MoU between the two countries.

Within official development assistance, departmental officials based in the various provincial offices were trained by Japan through the Japan International Co-operation Agency (JICA) on water supply management, water distribution and service and water quality and purification.

Overview of the financial results of the department

Departmental receipts

During the year under review, the departmental revenue declined by R50 million from R65 million during the 2013/14 to R15 million in 2014/15.

| Departmental receipts | 2014/2015 | | | 2013/2014 | | |
|------------------------------------------------------|---------------|-------------------------|-------------------------|---------------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 4 647 | 2 360 | 2 287 | 4 678 | 2 783 | 1 895 |
| Transfers received | - | 63 | (63) | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | 2910 | 2 544 | 366 | 8 000 | 4 612 | 3 388 |
| Sale of capital assets | - | - | - | - | - | - |
| Financial transactions in assets and liabilities | 18 000 | 10 366 | 7 634 | 12 000 | 58 555 | (46 555) |
| Total | 25 557 | 15 333 | 10 224 | 24 678 | 65 950 | (41 272) |

Programme Expenditure

The department received a total allocation of R 13 647 401 000 of which R 11 616 682 000 was spent which represents 85% total spending. The remaining R 2 030 719 000 representing 15% under expenditure is mainly attributed to the following:

An amount of R68 million from programme 1 due to delays of invoices for office accommodation and municipal services from the Department of Public Works. The said invoices will be delivered during the 2015/16 financial year.

An amount of R35 million from programme 2 due to delays in the procurement of national surface water quality programme laboratory analyses and Inductively Coupled Plasma Optical Emissions Spectrometer Instruments. The said instruments will be delivered during the 2015 /16 financial year.

An amount of R 1, 890 billion from programme 4 mainly caused by the delay in finalising the implementation plans by newly appointed implementing agents.

An amount of R33 million from programme 5 due to the delayed implementation of drinking water quality and wastewater management project, delayed finalisation of the draft pricing strategy and the postponement of the planned African Forum for Utility Regulators conference. The said projects and conference will be done during the 2015/16 financial year.

An amount of R 1 million from programme 6 due to the outstanding claims for advances paid to the Department of International Relations and Cooperation.

The table below details the under expenditure per programme:

| Programme Name | 2014/2015 | | | 2013/2014 | | |
|-------------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|---------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 956 283 | 888 186 | 68 097 | 916 273 | 907 440 | 8 833 |
| Water Sector Management | 503 641 | 468 638 | 35 003 | 430 268 | 430 255 | 4 534 |
| Water Infrastructure Management | 2 919 422 | 2 919 422 | - | 2 565 203 | 2 558 847 | 6 356 |
| Regional Implementation and Support | 9 070 830 | 7 178 148 | 1 892 682 | 6 223 435 | 6 130 225 | 93 210 |
| Water Sector Regulation | 163 099 | 129 576 | 33 523 | 213 422 | 192 595 | 16 306 |
| International Water Cooperation | 34 126 | 32 712 | 1 414 | 26 953 | 26 880 | 73 |
| Total | 13 647 401 | 11 616 682 | 2 030 719 | 10 375 554 | 10 246 242 | 129 312 |

Virements/ rollovers

Section 43(1) of the Public Finance Management Act (PFMA), provides that the Accounting Officer of the Department may utilise a saving in the amount appropriated under a main division within a vote towards the defrayment of excess expenditure under another main division within the same vote, unless the relevant treasury directs otherwise.

Virements approved by the Accounting Officer

The table below summarises the funds shifted and virements applied by the Department:

| From | | | To | | |
|-------------------------|--------------------------------------------------------------------------------|--------------|-------------------------------------|---------------------------------------------|--------------|
| Programmes | Reasons for virement | Amount R'000 | Programmes | Reasons for virement | Amount R'000 |
| Administration | The programme declared a saving due to delays filling vacant posts | (74 147) | Regional Implementation and Support | To defray over expenditure in the programme | 74 147 |
| Water Sector Management | The programme declared a saving due to delays appointing Implementing Agencies | (43 181) | Regional Implementation and Support | To defray over expenditure in the programme | 43 181 |
| | The programme declared a saving due to delays appointing Implementing Agencies | (12 392) | Regional Implementation and Support | To defray over expenditure in the programme | 12 392 |
| | The programme declared a saving due to delays appointing Implementing Agencies | (1 670) | International Water Cooperation | To defray over expenditure in the programme | 1 670 |

Requests for rollover

To pay for projects that were underway, the department requested a rollover amounting to R 1,6 billion. The table below summarises the rollover request per programme

| Programmes | Amount in R'000 |
|-------------------------------------|------------------|
| Administration | 10 219 |
| Water Sector Management | 8 600 |
| Regional Implementation and Support | 1 562 499 |
| Water Sector Regulation | 19 581 |
| Total | 1 600 899 |

Description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence

The majority of the fruitless and wasteful expenditure for the period under review was as a result of no-shows. These no-shows relate to those officials who did not attending their planned training, did not use their booked air tickets, did not use their booked accommodation and where catering is concerned, a lesser number attends than it was prepared for. In all these instances, the department has started recovering the funds from identified transgressors.

Another contributor to fruitless and wasteful expenditure was interest accrued due to late payment of invoices. The department is implementing a tracking system that will use one entry point for invoices. With this tracking system in place the department will be able to pay invoices in time.

There were however, isolated cases where department paid penalty for an early exit from a contract and a penalty for an expired disc.

The details are included in note 27 of the Annual Financial Statement (AFS).

Future plans of the department

Issues that require attention, in terms of looking ahead is the strengthening of our programme towards achieving a clean audit by putting in place an 'operation clean audit', and items in our management will be dealt with at a later stage with their own programme of action.

Building the skills pool and competencies

There has been great improvement in the areas of human resources as we commenced with the re-engineering and restructuring process of the departmental organisational structure. Although this is an on-going process, we have so far managed to stabilise senior management with the appointment of the Director-General (DG) and the creation and appointment of a Deputy Director-General (DDG) for the Communication Services branch. Currently, with regard to the executive layer of the Department there is reasonable stability.

Now we continue to consolidate these processes by looking at the next layers and making further adjustments to the structure of the organisation where necessary, this includes the development of a centralised planning unit for both water and sanitation functions instead of having two separate planning units.

Over the 2015/16 to 2017/18 medium term period, the department plans to increase the intake into the department's graduate trainee development programme to 160 graduate trainees.

Increased ecosystem health

To protect the integrity of freshwater ecosystems, the department plans to determine resource quality objectives for 11 river systems over the 2015/16 to 2017/18 medium term period. In addition, plans are underway to complete the acid mine drainage long-term solution for the Witwatersrand by the 2017/18 financial year. Over the 2015/16 to 2017/18 medium term period, the department plans to assess four catchments that have mines with potential to generate acid mine drainage.

Increased sustainability in water provision

To ensure adequate water availability to support socio-economic development, the department plans to complete a total of three reconciliation strategies and up to five (5) feasibility plans over the 2015/16 to 2017/18 medium term.

Within the water infrastructure built programme, the department plans to complete and commission up to three (3) water resource projects over the 2015/16 medium term. Within the water services area, plans are under way to complete up to 44 regional bulk infrastructure projects and implement up to 76 accelerated community infrastructure projects. In addition, plans are under way to provide up to 90 000 households with interim or basic water supply within the 27 priority districts.

In support of the rural development programme, the department plans to financially support over 1 800 resource poor farmers and install over 4 000 water tanks for household productive use.

With this infrastructure built programme it is projected that over 10 000 job opportunities will be created over the 2015/16 medium term period.

Enhanced regulatory compliance

Commencement has also been made in the previous financial year on matters around the review of our legislation and the progress is commendable. In this coming financial year we will continue with a view that we are able to table in parliament the amended new Water and Sanitation Act, which will again ensure that we give effect to the mandate of the Department from a legislative point of view. This will also guarantee that there is synergy with other pieces of legislation, such as the Municipal Services Act, as it relates to the provisioning of water and sanitation.

In an effort towards enhancing the regulatory compliance within the sector, the department plans to conduct compliance monitoring for up to 500 dams and over 700 water users over the 2015/16 to 2017/18 medium term period. In addition, plans are underway to assess 1 084 water supply systems and 963 wastewater treatment collector systems annually for compliance with the relevant standards whilst also instituting enforcement action against all reported non-compliant cases.

Public Private Partnerships

There were no public private partnerships established during the period under review.

Discontinued activities/activities to be discontinued

There are no activities to be discontinued.

New or proposed activities

There are no new or proposed activities.

Supply chain management

Although the department has a supply chain management (SCM) policy and procedures in place to prevent among other things irregular expenditure, challenges were experienced during the year under review.

Some challenges were experienced when using price quotations for goods and services below R500 000 as no responses were received from invited suppliers in the department's database. To deal with this, SCM advertised the quotations in the department's website and on notice boards.

In addition, SCM is currently working towards categorising and pre-qualifying service providers to ensure that they are capable of supplying the commodities or services for which they are registered.

Gifts and donations received in kind from non related parties

The gifts and donations received in kind from non related parties during the period under review are listed in Annexure 1H of the Annual Financial Statement (AFS).

Exemptions and deviations received from the National Treasury

Neither exemptions nor deviations were received from the National Treasury.

Events after the reporting date

No significant events occurred after the reporting date.

Other

The department has a water trading entity that was established in 1983 as a trading account under the Exchequer Act. When the Public Finance Management Act (PFMA) of 1999 converted trading accounts into trading entities, the Water Trading Entity's (WTE) conversion occurred in 2006 with its financial statements that comply with Generally Accepted Accounting Practices (GAAP) presented at the end of 2005/6 financial year.

The WTE is directly reports to the Accounting Officer of the Department of Water and Sanitation and is divided into two the Water Resource Management unit (also known as Proto-Catchment Management Agencies) and the Infrastructure branch.

The Water Resource Management unit is primarily responsible for the sustainable and equitable use, conservation and allocation of water resources for the benefit of the people residing in respective water management areas.

The infrastructure branch primarily develops new infrastructure and also operates and maintains existing infrastructure. It comprises of the integrated systems and bulk water systems. The integrated systems primarily transport water from water rich to water scarce catchments through a number of dams and pipelines that are operated as one interlinked system. The bulk water supply schemes on the other hand are operated as stand-alone water schemes comprising of former homeland government schemes and the agriculture sector.

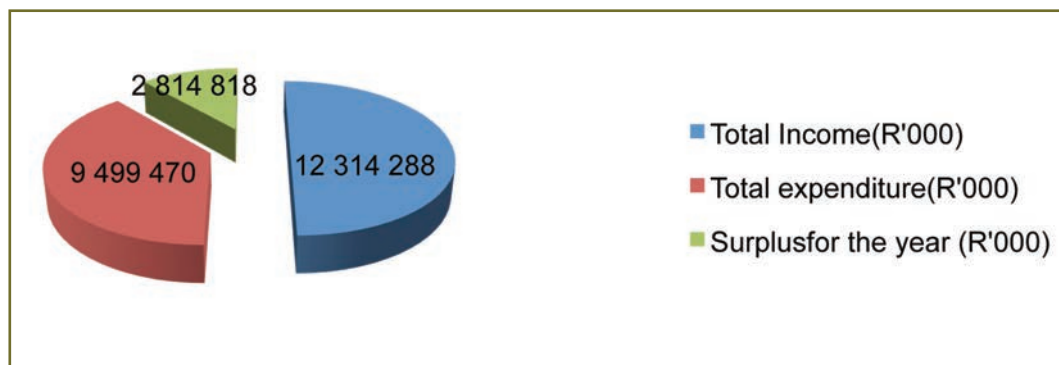
The WTE's funding comes from the revenue generated from water users in respective areas as well as partial augmentation from the fiscus. The fiscus augments the shortfall where the revenue is inadequate to cover the entire operations. The financial performance of the WTE is summarised below.

Analysis of the WTE's operating performance

Operating surplus

During the period under review, the Department's Water Trading Entity reported an operating surplus of R 2, 8 billion (depicted in figure 1 below) which was mainly driven by the improvement in revenue performance. The revenue from exchange transactions increased by 13% as a result of the slight increase on volume consumption and annual tariff; increase on interest charged and additional external projects awarded to the internal construction unit.

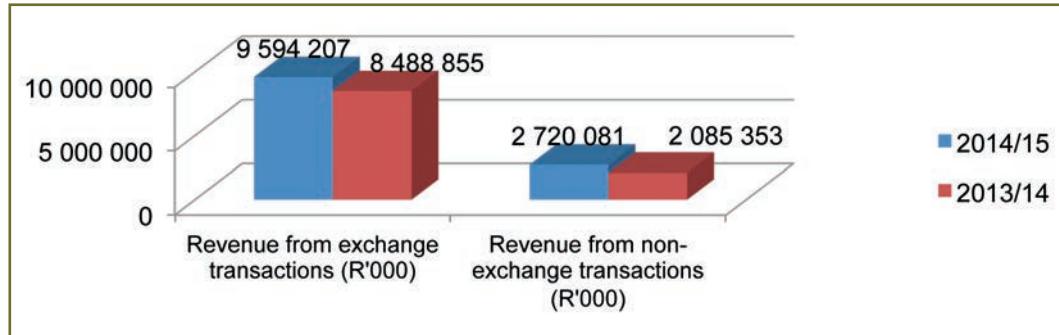
Figure 1: WTE 2014/15 operating surplus



Operating income

The revenue from exchange transactions increased from R 8, 48 billion to R 9, 58 billion (as depicted in figure 2 below) during the period under review. This 13% increase is attributed to the increase in volume consumption and annual tariff, increase on interest charged and the additional external projects awarded to internal construction unit. The revenue from non-exchange transactions increased from R 2, 08 billion to R 2, 72 billion due to the increase on augmentation fund received from National Treasury and assets received from the Water Users Associations.

Figure 2: WTE 2014/15 revenue analysis



Total operating expenditure overview

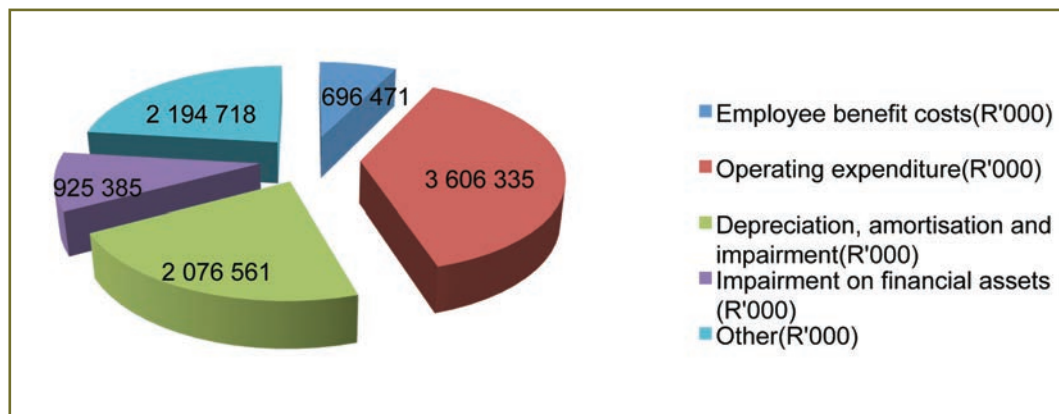
Figure 3 below depicts that the WTE's operating expenditure increased from R7, 59 billion during 2013/14 to R9, 49 billion in 2014/15. This 25% increase is attributed to increases in finance costs, depreciation, impairment and amortization.

The finance cost increases are attributed to the project delays that caused changes in the timing of the future cash flows and adjustment on the internal rate of return (IRR).

The depreciation, amortization and impairment increased from R 1, 78 billion in 2013/14 to R 2, 07 billion in 2014/15 due capitalisation of new assets.

The employee benefits costs increased from R 678 million during 2013/14 to R 696 million in 2014/15, as a result of the annual salary increase.

Figure 3: WTE 2014/15 expenditure analysis



Liquidity

The current ratio of the WTE has increased from 1.31 during 2013/14 to 1.50 in 2014/15, indicating that it has sufficient liquid assets to meet short-term financial obligations. The improvement of the current ratio is mainly driven by the increase on receivables from exchange transactions.

Cash flow from operations

The WTE has a positive cash flow from operating activities amounting to R 5, 63 billion which supports the view that it is viable. The cash and cash equivalent at the end of the year amounted to R1.54 billion.

Return on assets

The WTE ratio on return on assets is 3% reflecting no movement when compared to the prior year results. This illustrates the entity's effectiveness in using its investment in assets.

Debtor days in sales

During the period under review, the debtor days' analysis reflected a regression from 220 days during 2013/14 to 246 days in 2014/15. This is due to the interest charged on outstanding accounts and the fact that the entity is still struggling to recover debts from municipalities. An intergovernmental process has been initiated in order to recover the outstanding debts payable by municipalities.

Acknowledgement/s or Appreciation

I would like to thank the Minister and Deputy Minister for their support during the year under review.

Conclusion

Approval and sign off

The Annual Report including the Annual Financial Statements set out on pages 203 to 332 and pages 342 to 384 has been approved by the Accounting Officer.



Ms M Diedricks
Accounting Officer
Department of Water and Sanitation

Date:

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I conform the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.

The Annual Financial Statements contained in Part E have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

As the Accounting Officer I am responsible for the preparation of the annual financial statements and for the judgments made in this information.

I am also responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information, human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and financial affairs of the Department for the financial year that ended on 31 March 2015.

Yours faithfully

Accounting Officer
Ms M Diedricks
Date

STRATEGIC OVERVIEW

Vision

Safe water for all forever.

Mission

Effectively manage the nation's water resources to ensure equitable and sustainable socio-economic development and universal access to water.

Values

| | |
|---------------------|----------------------------------------------------------------------------------|
| Transparency | we fulfil our mandate in an ethical manner |
| Respect | we respect each other as well as our clients and the needs of our citizens |
| Excellence | we are leaders and innovators in our sector, who get it right on time every time |
| Everyone | we are a caring employer who, through teamwork, serves South Africa's people |

Strategic outcome oriented goals

| No | Strategic outcome oriented goals | Government outcomes and other initiatives | Strategic objectives |
|----|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | An efficient, effective and development oriented sector leader | Outcome 12 (Public service) Outcome 4 (Employment) Chapter 13 of the National Development Plan (NDP) | Improve and increase the skills pool and build competencies in the Department and within the sector Effective and efficient internal control environment Implement programmes that create job opportunities Improve water resources and water services information Coordinate regional and global water cooperation Ensure effective performance of water management and services institutions |
| | Equitable and sustainable provisioning of raw water | Outcome 6 (Infrastructure) Chapter 4 of the National Development Plan (NDP) | Ensure the availability of/access to water supply for environmental and socio-economic use Improve equity and efficiency in water allocation Strengthen and implement strategies for water management in the country Improve water use efficiency |
| | Provision of equitable and sustainable water services of acceptable quantity and quality | Outcome 9 (Local government) Chapter 13 of the National Development Plan (NDP) | Ensure compliance to water legislation Support the water sector |
| | Protection of freshwater ecosystems | Outcome 10 (Environment) Chapter 5 of the National Development Plan (NDP) | Ensure compliance to water legislation Improve the protection of water resources and ensure their sustainability |

LEGISLATIVE AND OTHER MANDATES

Review of the National Water Act, 1998 (Act No 36 of 1998): While the National Water Act provides a legal framework for the progressive realisation of the right to access to sufficient water, the act is under review to ensure that there is equity in the allocation of water, to improve water resources management and to streamline the regulatory processes.

Review of the Water Services Act 1997 (Act No. 108 of 1997): The Water Services Act is being reviewed to improve the provisions of water services to ensure alignment with the provisions of the Municipal Systems Act, 2000 (Act No. 32 of 2000) and the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

Review of the Water Research Act, 1971 (Act No 34 of 1971): The Water Research Act is under review to improve the governance of the Water Research Commission and to align the act with all other applicable legislation.

Review of the National Water Resource Strategy: The Department is reviewing the first edition of the National Water Resource Strategy. This review provides an opportunity to ensure that water is at the centre of planning and that it supports the broad national economic and social development goals through the Water for Growth and Development (WfGD) framework without compromising the long-term sustainability of water resources.

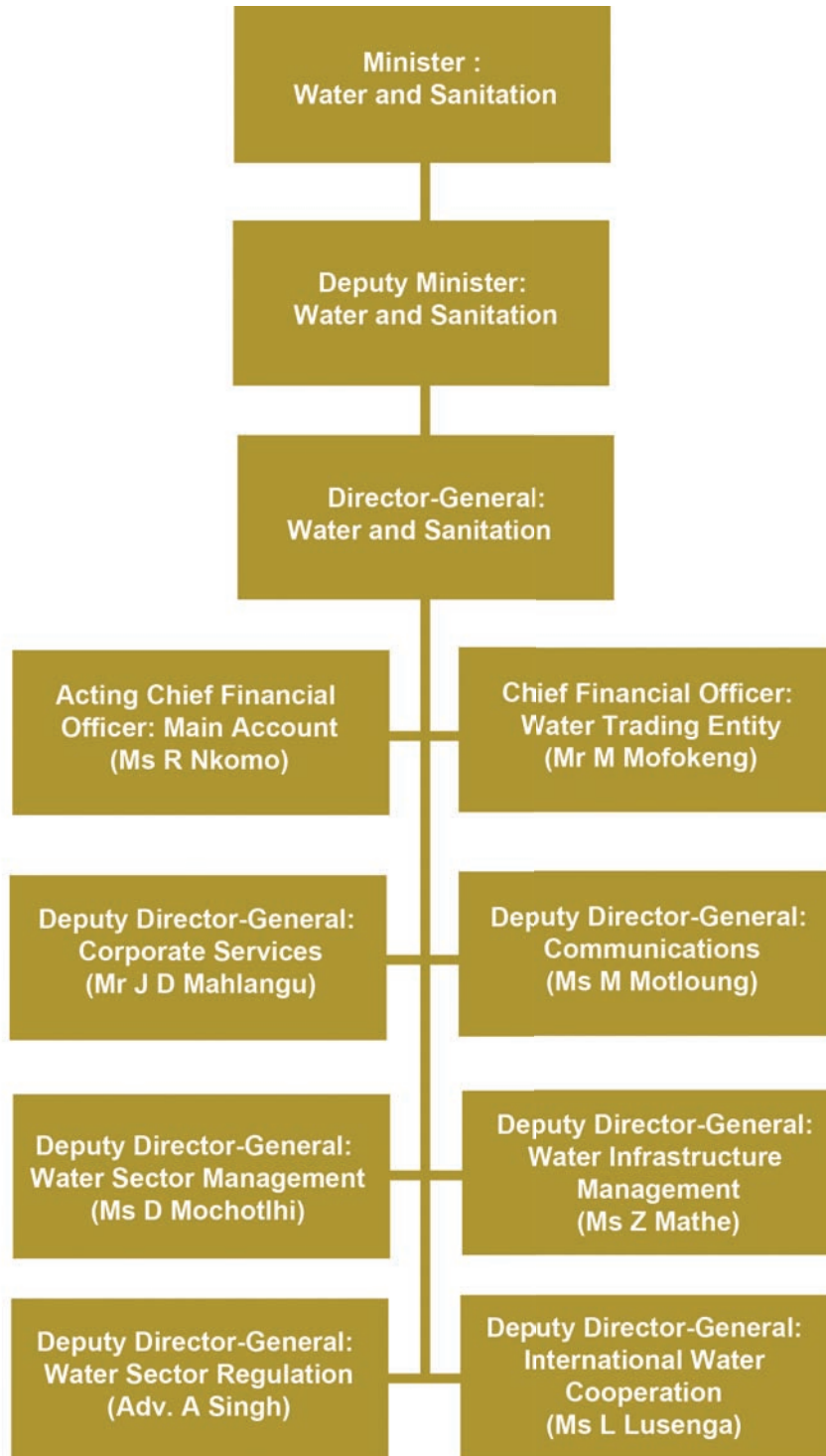
Revision of the water pricing strategy: The Water Pricing Strategy sets out the government's approach to pricing raw water. It provides, in principle, for full cost pricing for non-agriculture water users, including depreciation and a return on assets (ROA). In practice, annual price increases have been capped and hence prices are below full cost for most agricultural water schemes and some schemes dedicated to industrial and domestic supply. The review of this strategy seeks to improve the financial viability of government's bulk raw water business to ensure that this scarce resource is valued by all citizens.

Development of the funding model: The purpose of the development of the funding model is to determine the variety of financing mechanisms or models adopted in South Africa and internationally to fund infrastructure. The project will look at the principles of infrastructure funding and financing and help to identify the lessons learnt that can shape future investment decisions in the South African water sector. Apart from identifying key success factors, the review is also expected to explore innovative and off-budget financing mechanisms, in order to consider their suitability for the South African water sector.

Development of an economic regulator: This project explores international practice in economic regulation in the water sector, as well as economic regulation in other sectors in South Africa, in order to support the development of an economic regulator for the water sector in South Africa. The project will look into an economic regulator that regulates the entire water value chain; it will outline the functions and identify gaps in the current legislative framework for regulating the water sector. This will lead to the establishment of an effective economic regulator.

Institutional Reform and Realignment: The Department has initiated the institutional reform and re-alignment project with the aim of enhancing institutional readiness to fast-track service delivery and handle water challenges and management of water resources both at present and in the future.

ORGANISATIONAL STRUCTURE



ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister

| No | Name of entity | Legislative mandate | Financial relationship | Nature of operations |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Trans Caledon Tunnel Authority (TCTA) | The TCTA was originally established as a Special Purpose Vehicle to fulfil South Africa's Treaty obligations in respect of the Lesotho Highlands Water Project. It has undertaken further work, which varies considerably in nature, on directive from the Minister. | TCTA is listed as schedule 2 in terms of the PFMA | To implement and fund government water schemes off budget entitled by the National Water Act to raise loans to finance the development of new water resource infrastructure |
| | Water Research commission (WRC) | To facilitate research in the water sector in terms of the Water Research Act of 1971 | WRC is listed as schedule 3A in term of the PFMA | To facilitate water research and development on behalf of the nation |
| Catchment Management Agencies | | | | |
| | Inkomati (ICMA) | Water Resource Management | The department supports the entity by transferring water resources management charges billed and collected on behalf of the CMA. The DWS will also augment the CMA if there is a shortfall | Management water resources at catchment level to achieve equity and social justice. The entity is the vehicle for service delivery for the department |
| | Breede Overberg (BOCMA) | | | |
| Water boards | | | | |
| | Amatola Water Botshelo Water Bushbuckridge Water Bloem Water Lepelle Northern Water Magalies Water Mhlathuze Water Overberg Water Pelladriest Water Rand Water Sedibeng Water Umgeni Water | Water boards are established in terms of the Water Services Act of 1997 to provide bulk water services | Water boards are listed as schedule 3B in terms of the PFMA | All water boards provide bulk water services to the municipalities, industries and the mines |

PART B

PERFORMANCE INFORMATION



1 AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the report on other legal and regulatory requirements section of the auditor's report.

Reference is made to the AGSA report for Vote 42, section 2, set out on pages 198 to 202 and section 2, set out on pages 338 to 341 in Part E: Financial Information of this annual report.

2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The services of the department for the year under review the department were consolidated under four (4) strategic outcome oriented goals. The successes and challenges that affected the department's performance for each strategic outcome oriented goals are summarised below:

An efficient, effective and development oriented sector leader

For its strategic objective of improving the skills pool and building competencies in the department and within the sector, a lower than expected attendance of the planned training was experienced owing to changes in employee work schedules and other employees not allocating time for training. Further challenges were experienced in attracting the required candidates to fill in the targeted vacancies. The graduate trainee programme performed well as previously delayed enrolments resulted in an increased intake of graduate trainees. Also as more posts were availed, this resulted in the increased placement of the graduate trainees into positions.

For its strategic objective of ensuring effective and efficient control environment, the department complied with all the reporting prescripts but challenges were experienced in spending 100% of its budget. This under expenditure was mainly due to low spending of the infrastructure grants as the allocation of the funds was done without the assessment of implementation readiness of the projects. In addition, the late transfer of funds for the sanitation function as well as lack of capacity on the part of implementing agents resulted in the under expenditure.

For its strategic objective of implementing programmes that create job opportunities, some of the department's programmes like the regional bulk infrastructure and dam safety rehabilitation could not achieve the desired targets as labour unrest, delays in receiving environmental authorisation as well as contractual challenges negatively affected the creation of job opportunities. The labour intensive methods used in implementing some of the augmentation projects on the other hand resulted in an increased number of job opportunities within the water resource infrastructure programme.

For its strategic objective of coordinating regional and global water cooperation the department had planned to establish strategic new partnerships with countries in Africa and outside Africa. The signing of the Zimbabwe and Uganda partnerships were postponed whilst four partnerships were established with countries outside Africa.

Equitable and sustainable provisioning of raw water

For its strategic objective of ensuring the availability of / access to water supply for environmental and socio-economic use the department completed and updated a number of the reconciliation strategies however, procurement delays were experienced in the completion of the environmental impact assessment of the Western Cape Water Supply System Augmentation project. Further delays in procurement and delivery of mechanical and electrical equipment resulted in the non completion of two regional bulk infrastructure projects in the Free State and North West provinces.

The resource poor farmer and rainwater harvesting programmes performed better than planned as more beneficiaries were subsidised and rainwater harvesting tanks were installed.

Delays were experienced in a number of the water resource infrastructure projects owing to various reasons ranging from procurement to scarcity of approved professional persons to finalise project designs.

For its strategic objective of improving equity and efficiency in water allocation, lack of dedicated personnel resulted in the delays in completing the planned compulsory licensing in Mhlathuze. As the 2010 water use licensing backlog was prioritised and eradicated, the department could not finalise the 2011 and 2013 applications. In an effort of eradicating the 2011 to 2013 backlog,

new business processes were developed are being used to eradicate this backlog. The department however performed better with the allocation of water to Historically Disadvantaged Individuals (HDIs) as the number of approved license applications in the Free State and North West exceeded the planned volumes.

For its strategic objective of improving water use efficiency the lack of dedicated water conservation and demand management funding within municipalities resulted in the reduction of 4% within the water supply systems. The water use efficiencies of the domestic sector performed better than planned as other municipalities within the Eastern Cape contributed to the water savings.

For its strategic objective of strengthening and implementing strategies for water management, the department drafted the National Water Amendment Bill and completed five (5) sector implementation plans of the second National Water Resources Strategy. The raw water pricing strategy was not gazetted as broader consultation had to be done.

Provision of equitable and sustainable water services of acceptable quantity and quality

The completion of the Blue Drop and Green Drop reports experienced challenges during the year under review as verification audits had to be conducted in Free State, Gauteng Limpopo, Mpumalanga and Western Cape provinces.

A number of Water Service Authorities (WSAs) were supported with low Blue Drop and Green Drop risk ratings were supported during the period under review. In addition, 25 community water infrastructure projects were implemented in various provinces. The Gauteng, KwaZulu-Natal and Limpopo provinces could not intervene in all areas to prevent water supply, water quality and effluent quality incidents owing to lack of capacity. Further challenges were experienced in the provision of interim or basic water supply in the 24 priority districts as certain municipalities lost their implementing agent status and deviations from the initial planning had to be made. The refurbishment of prioritised transferred schemes performed better than planned as certain projects received additional funding resulting in the completion of more projects.

Protection of freshwater ecosystems

During the year under review, the implementation strategy on the economic regulation could not be finalised as the final phase of the consultation process had not been completed. The evaluation of dams to comply with dam safety regulations performed well as above average evaluations were conducted owing to an awareness campaign conducted by the department. The compliance monitoring of the various sectors also performed well during the period under review as a result of a concerted effort by the department and collaborations with various provinces.

The department's enforcement however could not finalise all the reported cases during the year under review as certain investigations had to be conducted before they are finalised.

Further challenges were experienced in the determination of the resource quality objectives for four of the river systems as it was realised that the draft numerical limits of the Upper, Middle and Lower Vaal had to be aligned. In addition, a further request from the stakeholder to gazette both the resource classes and resource quality objectives resulted in further delays.

2.2 Service Delivery Improvement Plan

Table 1: Main services and standards

| Main services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------|
| Authorisation of water use | Raw water users (e.g. agriculture, mining, industries) | On average 500 days to completion of an application | 300 days to completion of an application | On average 500 days to completion of an application |
| Emergency intervention for water related incidents | Water Service Authorities | | Intervene to water services emergencies within 48 hours of notification | Inspections were conducted to 47% of reported incidents |
| | All water users | Action is taken within 24 hours from the period of notification | Take action on significant water pollution incidents within 24 hours of notification | |
| Enforcement | All water users | Five criminal cases were opened and five were resolved. | Initiate corrective measures against transgressors within 7 days of being identified | 99% of reported non compliant cases were investigated |
| Provide demand-driven support to Water Service Authorities with an objective to achieve access to water | Water Service Authorities (152 WSAs) | Responded to 70% of incidents reported within 24 hours | Support municipalities in emergency cases relating to shortages in water supply | Interventions were made to 80% of reported incidents |

Table 2: Batho Pele arrangements with beneficiaries (Consultation access etc.)

| Current/actual arrangements | Desired arrangements | Actual achievements |
|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Face-to-face communication / izimbizo by the Minister and departmental staff to schemes and projects | Community engagements with principals and officials | Community engagements with principals and officials |
| Enrol graduate trainees to the departmental learning academy and place them into positions | Increase the enrolment of and placement of graduate trainees | A total of 109 graduate trainees were enrolled into the departmental learning academy and 47 were placed into positions. |

Table 3: Service delivery information tool

| Current/actual information tools | Desired information tools | Actual achievements |
|----------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------|
| The following tools are used: | The following tools are used: | The following tools are used: |
| • Newsflash | • Newsflash | • Newsflash |
| • Internet | • Internet | • Internet |
| • DWA Speaks magazine | • DWA Speaks magazine | • DWA Speaks magazine |
| • Shotha newsletter | • Shotha newsletter | • Shotha newsletter |
| • Electronic posters | • Electronic posters | • Electronic posters |
| • Notice boards | • Notice boards | • Notice boards |
| • Email banners | • Email banners | • Email banners |
| National Integrated Information System | Develop enterprise architecture that consolidates various stand-alone water information systems | A total of 28 dashboards were developed |

Table 4 Complaints mechanism

| Current/actual complaints mechanism | Desired complaints mechanism | Actual achievements |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Departmental call centre (toll free line) | Departmental call centre (toll free line) | Departmental call centre (toll free line) |

2.3 Organisational environment

During the first quarter of the financial year under review, the Department was in the process of implementing a revised organisational structure that received concurrence from the Minister of Public Service and Administration in February 2014. By 1 April 2014, the process to implement the revised structure was at an advanced stage.

Subsequent to the National Elections of May 2014, the Proclamation by the President led to the creation of a new Department of Water and Sanitation with the transfer of the sanitation function with its concomitant resources from the Department of Human Settlements. This transfer process and establishment of the Department was undertaken as part of the 2014 National Macro Organisation of the State (NMOS) programme led by the Department of Public Service and Administration (DPSA) and the National Treasury.

With the transfer of the sanitation function finalised on 1 November 2014, the greater part of the financial year under review, the Department was engaged in a change management process as it strived to adjust to its new mandate.

2.4 Key policy developments and legislative changes

The department has embarked on a process of introducing major changes to the current policies which process will be used to inform the development of a revised National Water Bill. There are currently four policy documents that underpin the legislations administered by the Minister, which are: White Paper on Water Supply and Sanitation (1994), White Paper on a National Water Policy for South Africa (1997), White Paper on Basic Household Sanitation (2001) and the Strategic Framework for Water Services (2003).

Since the promulgation of these policy documents, and based on several years of implementation, a number of challenges and unintended interpretations have been identified that require a policy review, and consequent legislative amendment. The legislative amendment will take into consideration the entire water value chain in terms of how water can contribute to achieving equitable, beneficial and sustainable development across the country. This approach is based on the following six policy principles:

- Use-It or Lose-It
- Water Trading between Authorised Water Users
- Prioritising Social and Economic Equity in the Reallocation of Water
- Multiple Water Use Approach in Planning Infrastructure
- Access to Basic Water Supply
- Free Basic Water Supply to Indigent Households

3 STRATEGIC OUTCOME ORIENTED GOALS

During the year under review the department had four (4) strategic outcome oriented goals and below is the summary of the progress made towards achieving them:

An efficient, effective and development oriented sector leader

In improving and increasing the skills pool in the department, a total of 109 graduate trainees were added to the learning academy with 47 placed into candidate positions.

Equitable and sustainable provisioning of raw water

In ensuring the availability of water for environmental and socio-economic use, the reconciliation strategies for Luvuvhu-Letaba and Orange were completed. Furthermore, the feasibility plans of the Laleni Hydropower and Ntabelanga Dam components of the Mzimvubu Water Project were completed.

During the year under review, 8 bulk infrastructure schemes were completed and a total of 1 462 resource poor farmers financially supported and 2 409 rainwater harvesting tanks installed.

Provision of equitable and sustainable water services of acceptable quantity and quality

In supporting the water sector, 19 community infrastructure projects were implemented and 60 prioritised (transferred) schemes were completed. Over 95 000 households were further provided with interim or basic water supply in the 24 priority districts.

Protection of freshwater ecosystems

In improving the protection of water resources, the capacity of the Central Basin plant to treat acid mine water was increased to operate at an average of 57 Megalitres per day. In addition, the river health programme was implemented 119 rivers.

4 PERFORMANCE INFORMATION OF MAIN ACCOUNT PROGRAMMES

4.1 Programme 1: Administration

4.1.1 Programme purpose

The purpose of the programme is to provide policy leadership, advice and core support services, including finance, human resources, legal, information and management services, communication and corporate planning.

4.1.2 Sub-programmes

Ministry provides support to the minister and deputy minister, and makes provision for their salaries. The support function entails advising the minister and deputy minister on policy matters, organising public participation programmes, dealing with appeals in terms of the grievance procedures, attending to administrative and logistical needs, processing the department's submissions, and supporting the minister and deputy minister on Cabinet and parliamentary matters.

Department Management provides administrative support to the director general, secretariat services to the department, and makes provisions for salaries and other costs associated with the office of the director general.

Internal Audit provides independent, objective assurance and advisory services designed to add value and improve the department's operations.

Corporate Services provides administrative support to the department and comprises the human resources, communication services, legal services, administration, and information services units.

Financial Management ensures the efficient management of daily financial operations, processes and systems.

Office Accommodation makes payments for rental charges on all leased office space occupied by the department, as well as for the municipal services such as electricity, water, and sewage and waste removal.

4.1.3 Strategic objectives

| Programme Name | | Administration | | | | Comment on deviations |
|----------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 1.1 | Improve and increase the skills pool and build competencies in the Department and within the sector | 99% of employees trained in line with individual PDPs (i.e. 3656 of 3662) | 90% attendance | 73% of attendance (i.e. 7 300 of 10 000 interventions) | Under by 17% | The lower than expected attendance of training was mainly due to changes in the employees' work schedules and others not allocating time off for training. |
| | | Vacancy rate for scarce, critical, technical and professional skills reduced to 12.3% (i.e. 7336 filled of 8 365) | 10% vacancy rate | 17.44% vacancy rate for scarce, critical, technical and professional | Under by 7.44% | Of the 215 posts that were advertised, 99 were filled as the department could not attract the required candidates. |
| | | 72 graduate trainees added to the development programme | 50 graduate trainees added | 109 graduate trainees added | Over by 59 | The increase is a result of the additional 25 graduate trainees that were previously delayed and were included during the year under review. |
| | | 72 graduate trainees placed into positions or permanent positions | 40 graduate trainees placed | 47 graduate trainees placed | Over by 7 graduate trainees. | More posts were made available and hence the increase in placements |
| 1.2 | Effective and efficient internal control environment | 98% availability of Information Technology Network Systems | 90% availability | 90% availability | - | - |
| | | 100% compliance with non-financial reporting prescripts | 100% compliance | 100% compliance with non-financial reporting prescripts | - | - |
| | | 100% compliance with financial reporting prescripts | 100% compliance | 100% compliance | - | - |

| No | Programme Name Strategic objectives | Administration | | | | Comment on deviations |
|----|----------------------------------------|----------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | 99% expenditure | 100% expenditure | 85% expenditure | Under by 15% | The allocation of the funds was done without the assessment of implementation readiness of the projects. This led to low spending of the infrastructure grants. In addition, there was an under expenditure in the sanitation function due to late transfer of funds for the financial year under review as well as lack of capacity on the part of implementing agents. |
| | | 67 audit projects completed (i.e. 82% implementation of annual audit plan) | 100% compliance | 89% compliance with approved audit plan (73 of 82 audit projects completed) | Under by 11% | The 9 projects that were in progress could not be completed as a result of capacity constraints. |

4.1.4 Performance indicators

| PPI no | Sub-programme Performance indicator | Corporate Services | | | | | Comment on deviations |
|--------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|--|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| 1 | Percentage attendance of planned training in line with work place skills plan | 99% of employees trained in line with individual PDPs (i.e. 3656 of 3662) | 90% attendance | 73% of attendance (i.e. 7 300 of 10 000 interventions) | Under by 17% | | The lower than expected attendance of training was mainly due to changes in the employees' work schedules and others not allocating time off for training. |
| 2 | Percentage of vacancy rate for engineers and scientists | Vacancy rate for scarce, critical, technical and professional skills reduced to 12.3% (i.e. 7336 filled of 8 365) | 10% vacancy rate | 17.44% vacancy rate for scarce, critical, technical and professional | Under by 7.44% | | Of the 215 posts that were advertised, 99 were filled as the department could not attract the required candidates. |
| 3a | Number of graduate trainees added to the trainee development programme of the learning academy | 72 graduate trainees added to the development programme | 50 graduate trainees added | 109 graduate trainees added | Over by 59 | | The increase is a result of the additional 25 graduate trainees that were previously delayed and were included during the year under review. |
| 3b | Number of learning academy graduate trainees placed into candidate positions | 72 graduate trainees placed into positions or permanent positions | 40 graduate trainees placed | 47 graduate trainees placed | Over by 7 graduate trainees. | | More posts were made available and hence the increase in placements |
| 7 | Sustainable availability of Information Technology network systems | 98% availability of Information Technology Network Systems | 90% availability | 90% availability | - | | - |

| Sub-programme | | Departmental Management | | | | Comment on deviations |
|---------------|--------------------------------------------------------------------|---------------------------------------------------------|--------------------------|---------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 4 | Compliance with the statutory non-financial reporting requirements | 100% compliance with non-financial reporting prescripts | 100% compliance | 100% compliance with non-financial reporting prescripts | - | - |

| Sub-programme | | Financial Management | | | | Comment on deviations |
|---------------|-----------------------------------------------------------|-----------------------------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 5a | Percentage compliance with financial reporting prescripts | 100% compliance with financial reporting prescripts | 100% compliance | 100% compliance | - | - |
| 5b | Percentage expenditure of departmental budget | 99% expenditure | 100% expenditure | 85% expenditure | Under by 15% | The allocation of the funds was done without the assessment of the implementation readiness of the projects. This led to low spending of the infrastructure grants. In addition, there was an under expenditure in the sanitation function due to late transfer of funds for the financial year under review as well as lack of capacity on the part of implementing agents. |

| PPI no | Sub-programme Performance indicator | Internal Audit | | | | Comment on deviations |
|--------|----------------------------------------------------|----------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 6 | Percentage compliance with the approved audit plan | 67 audit projects completed (i.e. 82% implementation of annual audit plan) | 100% compliance | 89% compliance with approved audit plan (73 of 82 audit projects completed) | Under by 11% | The 9 projects that were in progress could not be completed as a result of capacity constraints. |

4.1.5 Strategy to overcome areas of under performance

As attendance of the planned training as per the workplace skills plan was one of the areas that were not fully achieved, a concerted effort will be made to encourage employees to prioritise training that is included in their approved personal development plans. In effort of reducing the vacancy rate for engineers and scientists, a concerted effort will be made to fill the positions during the 2015/16 financial year.

4.1.6 Changes to planned targets

There were no changes made to the annual targets during the period under review.

4.1.7 Linking performance with budgets

| Sub-programme | 2014/2015 | | | 2013/2014 | | |
|-------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Ministry | 44 462 | 43 273 | 1 192 | 45 310 | 45 300 | 10 |
| Departmental Management | 36 547 | 36 039 | 509 | 43 516 | 43 514 | 2 |
| Internal Audit | 21 039 | 20 185 | 854 | 18 240 | 18 237 | 3 |
| Corporate Services | 422 146 | 407 521 | 14 626 | 387 696 | 380 971 | 6 725 |
| Financial Management | 132 314 | 127 473 | 4 839 | 162 203 | 160 110 | 2 093 |
| Office Accommodation | 299 775 | 253 699 | 46 077 | 259 308 | 259 308 | - |
| Total | 956 283 | 888 190 | 68 097 | 916 273 | 907 440 | 8 833 |

4.2 Programme 2: Water Sector Management

4.2.1 Programme purpose

The purpose of the programme is to ensure that the country's water resources are protected, used, developed, conserved managed and controlled in a sustainable manner for the benefit of all people and the environment by developing and implementing effective policies and integrated planning strategies, and developing a knowledge base and procedures.

4.2.2 List the sub-programmes

Policy and Planning Management and Support oversees the overall management and oversight of the programme by ensuring effective and efficient operation of the office of the deputy director general. This entails business planning and overall monitoring of the programme.

Integrated Planning develops comprehensive plans that guide infrastructure development, systems and services management in the water sector. This entails preparing reconciliation strategies, drafting feasibility plans, compiling the integrated hydrological plan, undertaking options analyses and macro planning.

Policy and Strategy develops, maintains, monitors and reviews the implementation of water sector policy to ensure reliable and equitable water supply and services.

Water Ecosystem develops and implements measures to protect water resources. This entails determining resource direct measures by classifying water resource systems, determining reserves, conducting resource quality assessments and determining resource directed measures by developing pollution control guidelines and rehabilitation measures and protocols.

Water Information Management ensures the development and maintenance of systems and programmes for data and information acquisition and management as well as building the knowledge base on all aspects of water; also coordination and auditing implementation by the Department, Catchment Management Agencies and other Water Management Institutions or agencies operating under the auspices of national water policy and legislation.

Water Services and Local Water Management entails the formulation and development of strategies, guidelines and plans for water services and management of water at local level. The function ensures that all people in South Africa have access to effective, sustainable and affordable water services through policy and legislative framework, information and planning, support as well as monitoring, evaluation and reporting.

Water Use Authorisation Enabling is aimed at enabling all authorization and allocation of water through coordination and development systems and processes to support crosscutting licensing activities.

4.2.3 Strategic objectives

| No | Programme Name Strategic objectives | Water Sector Management | | | | Comment on deviations |
|-----|----------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 1.4 | Improve water resources and water services information | 100% of the prototype system developed | 90% completion | 90% completion 28 dashboards designed, developed, tested and fixed | - | - |
| 2.1 | Ensure the availability of / access to water supply for environmental and socio-economic use | 1 Mbombela Reconciliation Strategy developed | 50% completion of Richards Bay reconciliation strategy | 50% completion of the Reconciliation strategy Yield assessment report 100% completion Final Reconciliation report 100% completion Final reconciliation report 10% completion Rainfall Analysis Report A total of 13 strategies updated (9 strategies plus prioritised towns in all 4 planning areas namely North, Central, South and East) | - | - |
| | | | 100% completion of Luvuvhu-Letaba reconciliation strategy 100% completion of Orange reconciliation strategy 10% completion of Limpopo North reconciliation strategy 13 reconciliation strategies updated per year to ensure water security ¹ | | | |
| | | 12 strategies updated | | | | |
| | | 1 plans initiated (Foxwood) 2 plans partially completed | 100% completion of the feasibility plan for Laleni Hydropower component of the Mzimvubu Water Project 100% completion of the feasibility plan for Ntabelanga Dam component of the Mzimvubu Water Project | 100% completion of the feasibility plan for Laleni Hydropower component of the Mzimvubu Water Project 100% completion of the feasibility plan for Ntabelanga Dam component of the Mzimvubu Water Project | - | - |

¹ Namely Western Cape, Algoa, Anatole, KZN Coastal, Bloemfontein, Vaal, Crocodile West, Olifants, Mbombela, prioritised towns in the 4 planning areas (namely North, Central, South and East)

| No | Programme Name Strategic objectives | Water Sector Management | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|-----|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | | |
| | | | 100% completion of the environmental impact assessment for the Mzimvubu Water Project | 100% completion of the environmental impact assessment for the Mzimvubu Water Project | - | - | - |
| | | | 20% completion of the Environmental Impact Assessment for the Western Cape Water Supply System Augmentation Project | 10% completion of the Environmental Impact Assessment for the Western Cape Water Supply System Augmentation Project | Under by 10% | There were delays in the procurement process. The scope of work to be done needed to be refined further and mobilisation of resources to undertake the work was to be expedited | |
| | | - | 10 national and provincial water services perspectives developed | 1 national, 9 provincial first water services perspectives developed | - | - | - |
| | | - | 9 first order provincial water services infrastructure bulk master plans | 9 first order provincial Water services Bulk Master Plans developed | - | - | - |
| 2.2 | Improve equity and efficiency in water allocation | 100 percent completion (Mhlatuze and Jan Dissels) | 100% licences issued | 0% licences issued However 500 draft licences and Record of Recommendation (RoR) developed | Under by the issuing of 100% licences | Lack of dedicated personnel to undertake the task resulted in an under achievement. As human resources have been availed, the plan is to complete this task by end June 2015. | |

| No | Programme Name Strategic objectives | Water Sector Management | | | | Comment on deviations |
|-----|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 2.3 | Strengthen and implement strategies for water management in the country | 80% completion (i.e. National Water Amendment Bill developed) The policy and legislative process culminated in the decision for the department to have a single water act (i.e. consolidation of the Water Service and National Water Act) 100% completion (i.e. NWRS2 was gazetted on 17 June 2013 and NWRS2 implementation plan was approved on 18 December 2013) | 50% completion Public hearings 100% completion (5 sector implementation plans 1 consolidated national Water Sector Implementation plan) | 40% completion Drafted version 9 of the National Water Amendment Bill that included the sanitation function. Approved new approach to law reforms for the National Water and Sanitation Amendment Bill | Under by 10% No public hearings | The publication of the Draft Amendment Bill for public consultation was delayed due to the pronouncement of the new Department of Water and Sanitation in May 2014. |
| 2.4 | Improve water use efficiency | Draft Climate Change Strategy for the water sector completed (i.e. 100% completion) 9.6 percent reduction of projected demand for 8 large water supply systems | 100% completion Final climate change adap- tation strategy for the water sector 12% reduction of projected demand for 8 large water supply systems | 100% completion Final climate change adaptation strategy for the water sector 4% reduction of projected demand for 8 large water supply systems | Under by 8% | Lack of water conservation water demand management funding within municipalities resulted in the under achievement. |

| No | Programme Name Strategic objectives | Water Sector Management | | | | Comment on deviations |
|-----|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 4.2 | Improve the protection of water resources and ensure their sustainability | 10 percent (Draft inception report) | 25% completion in developing National Integrated Informa- tion System (NIWIS) (Requirements assessment report) | 25% completion in developing NIWIS Report and database feedback and approval | - | - |
| | | 1 779 of groundwater sites monitored | 1900 groundwater sites monitored | 1901 groundwater sites monitored | Over achievement of 1 groundwater site monitored | The number of sites monitored increased, partly due to the increased capacity from the involvement of the PSPs from the review of Monitoring Networks Project |
| | | 1 458 of gauging stations monitored | 1600 gauging stations monitored | 1641 gauging stations monitored | Over achievement of 41 stations monitored | The sampling points where samples had not been provided were excluded from the national monitoring schedule resulting in the reduction in numbers. |
| | | 1 582 of national sampling points monitored to assess water resource quality | 1400 national sampling points monitored | 1382 national sampling points monitored | Under achievement of 18 sampling points monitored | - |
| | | 2012/13 Annual report on state of water (as per hydrological year) | 2013/14 Annual report on state of water (as per hydrological year) | 2013/14 Annual report on state of water (as per hydrological year) | - | - |
| | | - | 5% completion of the integrate water quality management strategy Concept paper on Integrated Water Quality Management Strategy | 5% completion Concept paper on Integrated Water Quality Management Strategy (IWQMS) completed | - | - |

| No | Programme Name Strategic objectives | Water Sector Management | | | | Comment on deviations |
|----|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | 70% completion of the determination of the RQOs (Olifants-Doom) 60% completion of the determination of the RQOs (Lower Vaal) | 4 Upper Vaal, Lower Vaal, Middle Vaal and Olifants-Doom | 0 However 4 draft Resource Quality Objectives reports developed | 4 river systems with determined resource quality objectives | During the course of the project it was realised that the draft numerical limits (specifications of discharges) of the Upper, middle and lower Vaal needed to be aligned. After gazetting the classes the stakeholders requested that both the Resource classes and RQOs be gazetted simultaneously hence the delay. |

4.2.4 Performance indicators

| PPI no | Sub-programme | Water Information Management | | | | | Comment on deviations |
|--------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| 8a | Percentage completion in developing National Integrated Information System | 100% of the prototype system developed | 90% completion | 90% completion 28 dashboards designed, developed, tested and fixed | - | - | |
| 23 | Percentage completion of the review of existing water monitoring networks | - | 25% completion (Requirements assessment report) | 25% completion Two technical reports on User requirements assessment completed | - | - | |
| 24 | Number of groundwater sites monitored | 1 779 of groundwater sites monitored | 1900 groundwater sites monitored | 1901 groundwater sites monitored | Over achievement of 1 groundwater sites monitored | The number of sites monitored increased, partly due to the increased capacity from the involvement of the PSPs from the review of Monitoring Networks Project | |
| 25 | Number of gauging stations monitored | 1 458 of gauging stations monitored | 1600 gauging stations monitored | 1641 gauging stations monitored | Over achievement of 41 stations monitored | | |
| 26 | Number of national sampling points monitored to assess water resource quality | 1 582 of national sampling points monitored to assess water resource quality | 1400 national sampling points monitored | 1382 national sampling points monitored | Under achievement of 18 sampling points monitored | The sampling points where samples had not been provided were excluded from the national monitoring schedule resulting in the reduction in numbers. | |
| 27 | Annual report on the state of water | 1 annual report 2012/13 on state of water (as per hydrological year) | 2013/14 annual report on state of water (as per hydrological year) | Annual report on State of Water completed | - | - | |

| Sub-programme | | Integrated Planning | | | | Comment on deviations |
|---------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 13a | Percentage completion of Richards Bay reconciliation strategy ³ | 1 Mbombela Reconciliation Strategy developed | 50% completion of Richards Bay reconciliation strategy | 50% completion of the Reconciliation strategy Yield assessment report | - | - |
| 13b | Percentage completion of Luvuvhu-Letaba reconciliation strategy | | 100% completion of Luvuvhu-Letaba reconciliation strategy | 100% completion Final Reconciliation report | - | - |
| 13c | Percentage completion of Orange reconciliation strategy | | 100% completion of Orange reconciliation strategy | 100% completion Final reconciliation report | - | - |
| 13d | Percentage completion of Limpopo North reconciliation strategy | | 10% completion of Limpopo North reconciliation strategy | 10% completion Rainfall Analysis Report | - | - |
| 14 | Number of reconciliation strategies updated per year to ensure water security | 12 strategies updated | 13 reconciliation strategies updated per year to ensure water security ³ | A total of 13 strategies updated (9 strategies plus prioritised towns in all 4 planning areas namely North, Central, South and East) | - | - |
| 15a | Percentage completion of the feasibility plan for Laleni Hydropower component of the Mzimvubu Water Project | 1 plans initiated (Foxwood) 2 plans partially completed | 100% completion of the feasibility plan for Laleni Hydropower component of the Mzimvubu Water Project | 100% completion of the feasibility plan for Laleni Hydropower component of the Mzimvubu Water Project | - | - |
| 15b | Percentage completion of the feasibility plan for Ntabelanga Dam component of the Mzimvubu Water Project | | 100% completion of the feasibility plan for Ntabelanga Dam component of the Mzimvubu Water Project | 100% completion of the feasibility plan for Ntabelanga Dam component of the Mzimvubu Water Project | - | - |

² In the ENE indicators 13a to 13d are captured as number of reconciliation strategies completed, in this APP percentages are used as they are process indicators and also are subdivided to monitor progress during the year

³ Namely Western Cape, Algoa, Anatole, KZN Coastal, Bloemfontein, Vaal, Crocodile West, Olifants, Mbombela, prioritised towns in the 4 planning areas (namely North, Central, South and East)

| Sub-programme | | Integrated Planning | | | | Comment on deviations |
|---------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 15c | Percentage completion of the environmental impact assessment for the Mzimvubu Water Project | | 100% completion of the environmental impact assessment for the Mzimvubu Water Project | 100% completion of the environmental impact assessment for the Mzimvubu Water Project | - | - |
| 15d | Percentage completion of the Environmental Impact Assessment for the Western Cape Water Supply System Augmentation Project | - | 20% completion of the Environmental Impact Assessment for the Western Cape Water Supply System Augmentation Project | 10% completion of the Environmental Impact Assessment for the Western Cape Water Supply System Augmentation Project | Under by 10% | There were delays in the procurement process. The scope of work to be done needed to be refined further and mobilisation of resources to undertake the work was to be expedited |
| 21 | Percentage completion of the Climate Change Adaptation Strategy for the water sector | Draft Climate Change Strategy for the water sector completed (i.e 100% completion) | 100% completion Final climate change adaptation strategy for the water sector | 100% completion Final climate change adaptation strategy for the water sector | - | - |
| 22 | Percentage reduction of projected demand for 8 large water supply systems | 9.6 percent reduction of projected demand for 8 large water supply systems | 12% reduction of projected demand for 8 large water supply systems | 4% reduction of projected demand for 8 large water supply systems | Under by 8% | Under achievement is due to lack of funds for the implementation of WCWDM in municipalities. The role of DWS is not to do the actual reduction of water loss but to monitor and generate a report on municipalities' reduction of water losses. |

| Sub-programme | | Water Services and Local Water Management | | | | |
|---------------|-----------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 16 | Number of national and provincial water services perspectives developed per annum | - | 10 (1 national and 9 provincial) | 1 national, 9 provincial first water services perspectives developed | - | - |
| 17 | Number of bulk master plans developed per annum | - | 9 first order provincial water services infrastructure bulk master plans | 9 first order provincial Water services Bulk Master Plans developed | - | - |

| Sub-programme | | Water Use Authorisation Enabling | | | | |
|---------------|-------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 18a | Percentage completion of compulsory licensing processes in Mhlathuze catchment area | 100 percent completion (Mhlathuze and Jan Dissels) | 100% licences issued | 0% licences issued However 500 draft licences and Record of Recommendation (RoR) developed | Under by the issuing of 100% licences | Lack of dedicated personnel to undertake the task resulted in an under achievement. As human resources have been availed, the plan is to complete this task by end June 2015. |

| PPI no | Sub-programme Performance indicator | Policy and Strategy | | | | Comment on deviations |
|--------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 19 | Percentage completion of revised National Water Act | 80% completion (i.e. National Water Amendment Bill developed) The policy and legislative process culminated in the decision for the department to have a single water act (i.e. consolidation of the Water Service and National Water Act) | 50% completion Public hearings | 40% completion Drafted version 9 of the National Water Amendment Bill that included the sanitation function. Approved new approach to law reforms for the National Water and Sanitation Amendment Bill | Under by 10% No public hearings | The publication of the Draft Amendment Bill for public consultation was delayed due to the pronouncement of the new Department of Water and Sanitation in May 2014. |
| 20 | Percentage completion of the National Water Resources Strategy 2 (NWRS-2) implementation plans | 100% completion (i.e. NWRS2 was gazetted on 17 June 2013 and NWRS2 implementation plan was approved on 18 December 2013) | 100% completion (5 sector implementation plans 1 consolidated national Water Sector Implementation plan) | 100% completion (5 sector implementation plans for local government; business and mining; energy; agriculture and forestry) (1 consolidated national Water Sector Implementation plan) | - | - |

| Sub-programme | | Water Ecosystem | | | Comment on deviations |
|---------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | |
| 28 | Percentage completion of the integrated water quality management strategy | - | 5% completion | 5% completion Concept paper on Integrated Water Quality Management Strategy (IWQMS) completed | - |
| 29 | Number of river systems with determined resource quality objectives | 70% completion of the determination of the RQOs (Olifants-Doom) 60% completion of the determination of the RQOs (Lower Vaal) | 4 Upper Vaal, Lower Vaal, Middle Vaal and Olifants-Doom | 0 However 4 draft Resource Quality Objectives reports developed | 4 river systems with determined resource quality objectives During the course of the project it was realised that the draft numerical limits (specifications of discharges) of the Upper, middle and lower Vaal needed to be aligned. After gazetting the classes the stakeholders requested that both the Resource classes and RQOs be gazetted simultaneously hence the delay. |

4.2.5 Strategy to overcome areas of under performance

As lack of resources was the main contributor to the identified under achievement in this programme, resources have been mobilised to expedite these activities during the 2015/16 financial year

4.2.6 Changes to planned targets

During the midterm changes were made to one programme performance indicator (i.e. PPI no 15) within the programme as the SMART analysis found it to be compounded and thus required redefining to ensure its simplicity and ease of reporting. In addition, the annual target for PPI no 28 was reduced as the SMART analysis found the weight for final deliverable (i.e. the concept paper on an integrated water quality management strategy) too high. A further adjustment to the quarterly milestones for PPI no. 29 was done as the legal process required a separate gazetting of the water resource classes and the resource quality objectives resulting in a prolonged public consultation process. Finally, the PPI no 18b (i.e. Percentage completion of the compulsory licensing processes in Limpopo) was deferred to the 2015/16 financial year. The revisions are tabulated below:

| Old PPI and targets as tabled in the 2014/15 APP | | | Revised PPIs and targets as post adjustment | | |
|--------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| PPI no | Programme performance indicator | Annual target | PPI no | Programme performance indicator | Annual target |
| 15 | Percentage completion of feasibility plans for water resource development projects | 100% completion (2 plans viz. Mzimvubu and Western Cape Water Supply System Augmentation project) | 15a | Percentage completion of the feasibility plans for Leteni hydro-component of the Mzimvubu Water Project | 100% completion |
| | | | 15b | Percentage completion of the feasibility plans for Ntabelanga Dam component of the Mzimvubu Water Project | 100% completion |
| | | | 15c | Percentage completion of the Environmental Impact Assessment for the Mzimvubu Water Project | 100% completion |
| | | | 15d | Percentage completion of the Environmental Impact Assessment for the Western Cape Water Supply System Augmentation project | 20% completion |
| 28 | Percentage completion of the integrated water quality management strategy | 35% completion (concept paper on an integrated water quality management strategy) | 28 | Percentage completion of the integrated water quality management strategy | 5% completion (concept paper on an integrated water quality management strategy) |

| Old PPI and targets as tabled in the 2014/15 APP | | | Revised PPIs and targets as post adjustment | | |
|--------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Programme performance indicator | Annual target | PPI no | Programme performance indicator | Annual target |
| 29 | Number of river systems with determined resource quality objectives | <p>4 river systems with determined RQOs (i.e. Upper Vaal, Lower Vaal, Middle Vaal and Olifants) with the following milestones:</p> <ul style="list-style-type: none"> • Q1: 4 RQOs and management class gazetted for public consultation (i.e. 75%) • Q2: 4 final RQOs and management class (i.e. 90%) • Q3: Approved RQOs and management class for the 4 river systems | 29 | Number of river systems with determined resource quality objectives | <p>4 river systems with determined RQOs (i.e. Upper Vaal, Lower Vaal, Middle Vaal and Olifants) with the following milestones:</p> <ul style="list-style-type: none"> • Q1: 4 RQOs and water resources classes gazetted for public consultation • Q2: Technical reports on RQOs for the Olifants, Upper Vaal, Middle Vaal and Lower Vaal • Q3: Legal notice for gazetting of recommended RQOs consulted with legal services and Chief State Law Advisor • Q4: Approved water resource classes gazetted. Recommended RQOs gazetted for public comments |

4.2.7 Linking performance with budgets

| Sub- Programme Name | 2014/2015 | | | 2013/2014 | | |
|-------------------------------------------|------------------------------|-----------------------------|---------------------------------------|------------------------------|-----------------------------|--------------------------------------|
| | Final Appropriation R'000 | Actual Expenditure R'000 | (Over)/ Under Expenditure R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 |
| Policy and Planning Management support | 5 606 | 5 604 | 2 | 4 667 | 4 667 | - |
| Integrated Planning | 143 420 | 138 265 | 5 155 | 182 209 | 182 203 | 6 |
| Policy and Strategy | 15 069 | 12 294 | 2 775 | 33 794 | 33 790 | 4 |
| Water Services and Local Water Management | 74 290 | 69 749 | 4 541 | - | - | - |
| Water Ecosystem | 50 075 | 47 972 | 2 103 | 46 943 | 46 943 | - |
| Water Information Management | 215 181 | 194 753 | 20 428 | 162 655 | 162 653 | 2 |
| Institutional Oversight | - | - | - | 105 093 | 100 571 | 4 522 |
| Total | 503 641 | 468 637 | 35 004 | 535 361 | 530 827 | 4 534 |

Programme 4: Regional Implementation and Support

4.3.1 Programme purpose

Coordinate the effective implementation of the department's strategic goal and objectives at the regional level, including the establishment of water resource management institutions. Facilitate water conservation and demand management. Accelerate communities' access to water infrastructure.

4.3.2 List the sub-programmes

Regional Management and Support provides strategic support for and oversees management of the programme. This entails managing documents, coordinating regional information and supporting the deputy directors general's office.

Water Sector Support coordinates sector collaboration and intergovernmental relations at the national, provincial and local level; provides hands on support to local government through the rapid response unit and accelerated community infrastructure programme to ensure effective, efficient, economic and sustainable provision of water

Water Use Regulation provides integrated interventions for ensuring that water resources are protected, used, conserved and managed in an equitable and sustainable manner.

Institutional Establishment contributes to the establishment of effective water management institutions. This entails transforming irrigation boards into water user associations, developing water user association business plans and building capacity within water user associations.

Regional Bulk develops regional bulk infrastructure for water supply and water treatment works and supplements regional bulk sanitation collector systems as well as regional waste water treatment works.

Transfer of Water Schemes guides the transfer of the operation and maintenance functions of water services schemes to water services institutions to ensure effective, efficient and sustainable service delivery by all water services authorities.

Support Services provides human resources, financial management and general administration to the programme.

Water Services Projects for the construction of new water services infrastructure projects such as water treatment works and pipelines.

Integrated Catchment Management provides for the protection, development, use and management of resources at the water management area level.

Mine Water Management coordinates and oversees the management of mine water in South Africa with specific emphasis on acid mine management.

Water Use Authorisation and Administration authorises all water use activities in South Africa through the use of regulatory instruments such as licensing and water allocation reform. It is to ensure sustainable, equitable integrated water resources management for current and future generations through efficient and effective water use authorisation.

National Sanitation Services supports the development of infrastructure for sanitation services for improved quality of life.

| 4.3.3 Strategic objectives | | Regional Implementation and Support | | | | |
|----------------------------|----------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Programme Name | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 1.3 | Implement programmes that create job opportunities | 20 885 | 2 441 job opportunities created through Regional Bulk Infrastructure Programme | 1 615 job opportunities | Under by 826 | The labour unrests and late issuing of appointment letters to contractors negatively affected the creation of job opportunities. |
| | | 34 jobs created through Resource Poor Farmers | 41 job opportunities created through Resource Poor Farmers | 58 job opportunities | Over by 17 | KZN: The rehabilitation of canals necessitated an increase to the labour force of the projects. LP: More labourers were employed as to accelerate the project completion. |
| | | 503 Jobs created through rainwater harvesting tanks | 285 job opportunities through rainwater harvesting tanks | 711 job opportunities | Over by 426 | FS: Bloem water appointed 13 instead of the initially planned 3 subcontractors to fast track the service delivery. These sub - contractors appointed temporary workers thus increased the number of labourers. LP: After the budget adjustment, an additional budget was allocated requiring an installation of additional tanks and hence more jobs were created MP: To finish the Greater Tzaneen LM project on time, more labourers were appointed. |
| | | 202 job opportunities created through Adopt-A-River programme | 295 job opportunities | 153 job opportunities | Under by 142 | FS: The budget that was envisaged to be allocated during the adjustment period was not received LP: The budget allocation that was envisaged to be received during the adjustment period was availed late resulting in the implementation delays of the project. |

| Programme Name | | Regional Implementation and Support | | | | |
|----------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 2.1 | Ensure the availability of / access to water supply for environmental and socio-economic use | 429 job opportunities created through the Interim/intermediate water supply | 5 916 job opportunities through the Interim/intermediate water supply | 2 711 job opportunities through the Interim/intermediate water supply | Under by 3 208 | EC: The schedule 5B and 6B were introduced in the middle of quarter 3, which resulted in most municipalities losing their IA status, and had to deviate from their initial planning. KZN: While refusing to let the water boards implement the projects, the DMs went ahead and appointed contractors for the projects; in order to regularise the DMs' implementation of the projects themselves. LP: Slow implementation of projects by IA's delayed job creation |
| | | 75 schemes under construction | 82 schemes under construction | 76 schemes constructed | Under by 6 | The MP implementing agent delayed in issuing the appointment letter because of a disagreement with the province. Also, there were persistent labour unrests at Sebokeng WWTW that halted the project. Lack of co-funding from WC delayed the project |
| | | 7 schemes completed | 10 schemes completed | 8 schemes completed | Under by 2 | The Kopanong bulk water supply scheme in FS was not completed due to procurement delays from the implementing agent. The Ventersdorp bulk water supply in NW was not completed as there were delays in delivering the mechanical and electrical equipment on site. |
| | | 1 589 resource poor farmers provided with water | 642 resource poor farmers | 1 462 resource poor farmers | Over by 820 | FS: In an effort of accelerating delivery, Tshepo Farms added more beneficiaries to their project |

| Programme Name | | Regional Implementation and Support | | | | Comment on deviations |
|----------------|---------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 2.2 | Improve equity and efficiency in water allocation | | | | | MP: More beneficiaries were supported with subsidies for water use charges as a result of the increased membership of Irrigation Schemes. KZN: Additional members joined the two the Biyela and Malenge irrigation schemes |
| | | 2 204 rainwater harvesting tanks | 1740 rainwater harvesting tanks | 2 409 tanks | Over by 669 | FS: The remaining tanks that were procured at the end of the previous financial year were installed during the year under review and hence the increased number. KZN: Savings were incurred when procuring tanks resulting in the procurement and installation of additional tanks. LP: Additional budget was availed during the budget adjustment period resulting in the procurement and installation of additional tanks |
| | | 38% of water use authorisation applications finalised (136 of 357 applications finalised) | 100% of water use authorisation applications finalised | 23% water use authorisation applications finalised (i.e. 375 of 1652 applications finalised) | Under by 77% | The 2010 backlog was eradicated as a priority. The licence applications for 2011 to 2013 were consolidated and are in the process of being eradicated in accordance with the new business process. |
| | | 28 million m ³ volume of water was allocated to HDIs | 5.7 million m ³ | 7 621 448 m ³ | Over by 1 921 448m ³ | The number of licence applications approved during the period under review exceeded the planned volumes |

| Programme Name | | Regional Implementation and Support | | | | | Comment on deviations |
|----------------|------------------------------|-------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| 2.4 | Improve water use efficiency | 145 million m³ of water saved | 8.1 million m³ | 161 335 549,72 m³ /a [the SI Unit will now be cubic meter per annum (m³ /a) as is the measurement for annum] | Over by 153 235 549, 72 | EC: The Makana and Ndlambe municipalities that were not targeted also contributed to the savings FS: The Mangaung Metropolitan Municipality also implemented other Water Conservation projects (viz. Real Loss Reduction Program; ACIP Program; Replacement of Water Meters and Fire Hydrants Program and the Thaba Nchu Rural Refurbishment Program) resulting in increased savings. LP: The reduced backwash frequency at Doordraai plant contributed to the increased savings NC: Financial support received from the Department resulted in municipalities implementing WCWDM measures WC: The City of Cape Town used international based water conservation and water demand management strategy that have higher projections to the reconciliation studies. | |
| 3.2 | Support the water sector | 40 Water Services Authorities | 42 Water Services Authorities supported with Blue Drop risk rating | 69 Water Services Authorities | Over by 27 | FS: As a result of poor water quality at LMs more officials were appointed in the Drinking Water and Waste Water Management (DWWM) section leading to supporting more municipalities. KZN and WC: The outcome of the Blue Drop report was used to support the identified WSAs. | |

| Programme Name | | Regional Implementation and Support | | | | Comment on deviations |
|----------------|----------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | | | | | NW: The recovery plan that was implemented during the third quarter assisted the province to be on par with what was planned. |
| | | 62 Water Services Authorities | 55 Water Services Authorities supported with Green Drop risk rating | 73 Water Services Authorities | Over by 18 | FS: As a result of poor water quality at LMs and the release of the Green Drop report more officials were appointed leading to supporting more municipalities. KZN and WC: The outcome of the Green Drop report was used to support the identified WSAs. |
| | | 61 Water Services Authorities | 28 Water Services Authorities with WCWDM | 40 Water Services Authorities | Over by 12 | EC: More WCWDM funding was availed for KouKamma LM and Kouga LM. In addition, Amathole DM received additional funds under ACIP to supplement the funding for the War on Leaks project. KZN: In an effort of assisting municipalities prepare for the No Drop, Blue Drop and Green Drop assessments, the region convened five forum meetings that supported all municipalities. |
| | | 8 community infrastructure water projects were implemented | 19 community infrastructure projects | 25 community infrastructure projects | Over by 6 projects | FS: Ngoate and Koppies received additional funds KZN: Ntuzuma received reallocation funds from WWTW |
| | | 177 interventions | 100% of interventions made to prevent water supply, water quality and effluent quality incidents | 80% interventions (i.e. 74 of 93 interventions) | Under by 20% | The Gauteng, KwaZulu-Natal and Limpopo provinces could not intervene owing to lack of capacity. |

| Programme Name | | Regional Implementation and Support | | | | |
|----------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 4.2 | Improve the protection of water resources and ensure their sustainability | 40 996 households | 144 491 households provided with interim or basic water supply in the 24 priority districts | 94 859 households | Under by 49 632 | EC: The schedule 5B and 6B were introduced in the middle of quarter 3, which resulted in most municipalities losing their IA status, and had to deviate from their initial planning. MP: The allocations for Bushbuckridge, Nkomazi and Mbombela municipalities were stopped due to non compliance with the signing of Service Level Agreement (SLA's) between municipalities and Implementing Agent (Rand Water) |
| | | 41 prioritised schemes refurbished | 56 schemes prioritised schemes transferred | 60 completed | Over by 4 | EC and KZN: The municipal projects completed during the 4th quarter of their 2013/2014 financial year were captured in the Department's 1st quarter of the 2014/2015 financial year as these projects were implemented with funds transferred during the Department's 2013/2014 financial year. |
| | | River health programme was implemented in 118 river of which <ul style="list-style-type: none"> • 30 are in EC • 13 are in GP • 16 are in KZN • 4 are in LP • 4 are in MP • 3 are in NC • 8 are in NW • 40 are in WC | 117 rivers | 119 rivers where river health programme was implemented | Over by 2 | Two additional rivers namely Noetzie and Salt/ Sout were included in WC as weather conditions were favourable. |

| Programme Name | | Regional Implementation and Support | | | | |
|----------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| | | 2 wastewater treatment works completed | 2 wastewater treatment works completed | 1 wastewater treatment work | Under by 1 | WC: The Swellendam project was not completed as planned due to objections from land owners. |
| | | 100% refurbished and extended the Rand Uranium Treatment plant to 53 Megalitres per day (immediate solution) | 100% completion of the additional refurbishment of the Rand Uranium treatment plant in the Western Basin | 90% of the additional refurbishment of the Rand Uranium treatment plant in the Western Basin Plant currently discharging 30 ML daily. Civil works for new pump station underway. | Under by 10% | The Rand Uranium Treatment Plant is currently partially treating (neutralising) 30 Mega litres of AMD daily and although this is sufficient during winter months, the plant and pump station are too small during the rainy season. Therefore work is underway to increase the pumping capacity by installing a new pump station and adding new pumps. This work should be commissioned by October 2015. The challenge is still the capacity of the refurbished treatment plant which is limited because of a lack of settling facilities (clarifiers). The building of new clarifiers is under consideration and construction should start as there is an agreement with the design and the costing. |
| | | 95% completion of the short term mitigation measures in the Central Basin. The pumps, pipelines, electrical and related works was also completed. Testing and commissioning is underway. | 100% operational capacity of the Central basin plant (Plant operational at an average 57 mega litres per day) | 100% operational capacity of the Central basin plant Plant operational at an average 57 mega litres per day | - | - |

| Programme Name | | Regional Implementation and Support | | | | |
|----------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| | | 20% completion (The design and tender process have been concluded for the appointment of the contractor) | 100% completion of the short term mitigating measures in the Eastern basin (Commissioning) | 75% complete completion of the short term mitigating measures in the Eastern basin Major civil works nearing completion. Electrical and pipeline work has commenced | Under by 25% | Resolution of funding issues prevented prior award of construction contract. Backfilling water-logged area of construction site and ground stability testing on certain areas of the site caused a slight delay in work schedule |
| | | 40% completion (The short term study has been developed which covers certain aspects of the long term EIA) | 75% completion of the Environmental Impact Assessment for the implementation of the acid mine drainage long term solution in the Witwatersrand (EIA study) | 0% completion of the Environmental Impact Assessment for the implementation of the acid mine drainage long term solution in the Witwatersrand | Under by 75% | Further research was to be done in terms of policies, regulation and technology to ensure that the department's approach for long term mitigation of AMD is justifiable with regard to water pricing. The outcome of the research will enable the inter-ministerial committee to ratify the way forward for long term mitigation measures, which will guide the suitable appointment of an Implementing agent that will be responsible for undertaking the completion of the Environmental Impact Assessment (EIA) |
| | | 5% completion (The financial and institutional models have been identified. The desalination technology was also confirmed) | 10% completion of the project plan for the acid mine drainage long term solution (Procurement process and implementation) | 0% completion of the project plan for the acid mine drainage long term solution | Under by 10% | Further research was to be done in terms of policies, regulation and technology to ensure that the department's approach for long term mitigation of AMD is justifiable with regard to water pricing. The outcome of the research will enable the inter-ministerial committee to ratify the way forward for long term mitigation measures, which will guide the suitable appointment of an Implementing agent that will be responsible for undertaking the completion. Work is underway to ratify the recommendations of the Long-Term Feasibility Study |

| Programme Name | | Regional Implementation and Support | | | | Comment on deviations |
|----------------|----------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | 1 catchment within 25 mines assessed (100% of Upper Vaal assessed) | 50% catchment assessments with potential AMD generating mines | 50% assessment of catchment assessments with potential AMD generating mines (Upper Vaal WMA assessed i.e. > 25 gold and coal mines) | - | - |
| | | - | 50% completion of the proposal of an environmental levy for the mining sector (A draft proposal on the environmental levy for the mining sector) | 30% completion of the proposal of an environmental levy for the mining sector Guidelines for drafting Environmental Levy proposal was sent to the National Treasury | Under by 20% | The determination of a mechanism for a specific environmental levy for AMD has been delayed |
| | | 4 393 buckets replaced by March 2014 | 88127 buckets replaced by March 2015 | 20 581 buckets replaced by March 2015 | 67 546 buckets not replaced by March 2015 | Lack of adequate bulk infrastructure in projects; cash flow challenges by Implementing Agents; difficult soil or hard rock conditions; service delivery protest in projects |
| | | None | Feasibility studies (design), finalise plan, 92 000 existing buckets replaced. | None | Feasibility studies (design), finalise plan, 92 000 existing buckets replaced | Currently the Department is focusing on formal areas with buckets and not in informal areas |
| | | 11 858 households served through RHIP to eradicate sanitation backlog | 63 118 households served through Rural Household Infrastructure Programme | 9 347 households served through Rural Household Infrastructure Programme | 53 771 households not served through Rural Household Infrastructure Programme | The submission of incomplete business plans for approval by the Accounting Officer delayed the transfer of funds to municipalities did not allow timeous procurement of contractors. |

4.3.4 Performance indicators

| Sub-programme | | Regional Bulk | | | | Comment on deviations |
|---------------|----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 30 | Number of job opportunities created through the regional bulk infrastructure grant programme | 20 855 job opportunities created | 2 441 job opportunities | 1 615 job opportunities | Under by 826 | The labour unrests and late issuing of appointment letters to contractors negatively affected the creation of job opportunities. |
| 33a | Number of bulk infrastructure schemes under construction | 75 schemes under construction | 82 schemes under construction | 76 schemes constructed | Under by 6 | The MP implementing agent delayed in issuing the appointment letter because of a disagreement with the province. Also, there were persistent labour unrests at Sebokeng WWTW that halted the project. Lack of co-funding from WC delayed the project |
| 33b | Number of bulk infrastructure schemes completed per year | 7 completed namely: <ul style="list-style-type: none">• 3 in FS (ie Tokologo phase 1, Dihlabeng Phase 1 and Maluti-a Phofung (Sterkfontein) phase 1• 1 in KZN (i.e. Middle drift Water Treatment Plant)• 2 in MP (i.e Bloemendal / Delmas pipeline and Acornhoek Bulk Pipeline)• 1 in WC (i.e Hermanus Bulk Water Supply | 10 schemes | 8 schemes completed | Under by 2 | The Kopanong bulk water supply scheme in FS was not completed due to procurement delays from the implementing agent. The Ventersdorp bulk water supply in NW was not completed as there were delays in delivering the mechanical and electrical equipment on site. |
| 46 | Number of wastewater treatment works completed | | 2 wastewater treatment works | 1 wastewater treatment work | Under by 1 | WC: The Swellendam project was not completed as planned due to objections from land owners |

| Sub-programme | | Institutional Establishment | | | | Comment on deviations |
|---------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 31 | Number of job opportunities created through the interim/ intermediate water supply | 429 job opportunities created through the Interim/intermediate water supply | 5 916 job opportunities through the Interim/ intermediate water supply | 2 711 job opportunities through the Interim/ intermediate water supply | Under by 3 208 | EC: The schedule 5B and 6B were introduced in the middle of quarter 3, which resulted in most municipalities losing their IA status, and had to deviate from their initial planning. KZN: While refusing to let the water boards implement the projects, the DMs went ahead and appointed contractors for the projects; in order to regularise the DMs' implementation of the projects themselves. LP: Slow implementation of projects by IAs delayed job creation |
| 32a | Number of job opportunities created through Resource Poor Farmers programme | 34 job opportunities created of which <ul style="list-style-type: none">• 20 are in KZN (Uthungulu)• 2 are in MP (Ehlanzeni)• 12 are in LP (Merekomme) | 41 job opportunities | 58 job opportunities | Over by 17 | KZN: The rehabilitation of canals necessitated an increase to the labour force of the projects. LP: More labourers were employed as to accelerate the project completion. |
| 32b | Number of job opportunities created through rainwater harvesting tanks programme | 503 jobs opportunities created of which <ul style="list-style-type: none">• 63 are in EC• 3 are in FS• 305 are IN KZN• 42 are in LP• 35 are in MP• 20 are in NC• 35 are in WC | 285 job opportunities | 711 job opportunities | Over by 426 | FS: Bloem water appointed 13 instead of the initially planned 3 subcontractors to fast track the service delivery. These sub-contractors appointed temporary workers thus increased the number of labourers. LP: After the budget adjustment, an additional budget was allocated requiring an installation of additional tanks and hence more jobs were created MP: To finish the Greater Tzaneen LM project on time, more labourers were appointed. |

| Sub-programme | | Institutional Establishment | | | | Comment on deviations |
|---------------|---------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------|------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 32c | Number of job opportunities created through Adopt-A-River programme | 202 job opportunities created through Adopt-A-River programme | 295 job opportunities | 153 job opportunities | Under by 142 | FS: The budget that was envisaged to be allocated during the adjustment period was not received LP: The budget allocation that was envisaged to be received during the adjustment period was availed late resulting in the implementation delays of the project. |
| 34 | Number of resource poor farmers provided with access to water | 1 589 resource poor farmers provided with water | 642 resource poor farmers | 1 462 resource poor farmers | Over by 820 | FS: In an effort of accelerating delivery, Tshipiso Farms added more beneficiaries to their project MP: More beneficiaries were supported with subsidies for water use charges as a result of the increased membership of Irrigation Schemes. KZN: Additional members joined the two the Biyela and Malenge irrigation schemes |
| 35 | Number of rainwater harvesting tanks installed for food production | 2 204 rainwater harvesting tanks | 1740 rainwater harvesting tanks | 2 409 tanks | Over by 669 | FS: The remaining tanks that were procured at the end of the previous financial year were installed during the year under review and hence the increased number. KZN: Savings were incurred when procuring tanks resulting in the procurement and installation of additional tanks. LP: Additional budget was availed during the budget adjustment period resulting in the procurement and installation of additional tanks |

| PPI no | Sub-programme Performance indicator | Water Use Authorisation and Administration | | | | Comment on deviations |
|--------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 36 | Percentage of water use authorisation applications finalised as per the water use authorisation guidelines | 38% of water use authorisation applications finalised (136 of 357 applications finalised) | 100% of water use authorisation applications finalised | 23% water use authorisation applications finalised (i.e. 375 of 1652 applications finalised) | Under by 77% | The 2010 backlog was eradicated as a priority. The licence applications for 2011 to 2013 were consolidated and are in the process of being eradicated in accordance with the new business process. |
| 37 | Volume of water allocated to Historically Disadvantaged Individuals | 28 million m ³ volume of water was allocated to HDIs | 5.7 million m ³ volume of water allocated to HDIs | 7 621 448 m ³ | Over by 1 921 448m ³ | The number of licence applications approved during the period under review exceeded the planned volumes |

| PPI no | Sub-programme Performance indicator | Water Sector Support | | | | Comment on deviations |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 38 | Volume of water saved to monitor water use efficiency within the domestic sector | 145 million m³ of water saved of which <ul style="list-style-type: none">• 39 million m³ was saved during quarter 1• 33 million m³ was saved during 2• 35 million m³ was saved during quarter 3• 38 million m³ was saved during quarter 4 | 8.1 million m³ | 161 335 549,72 m³ /a [the SI Unit will now be cubic meter per annum (m³ /a) as is the measurement for annum] | Over by 153 235 549, 72 | EC: The Makana and Ndlambe municipalities that were not targeted also contributed to the savings FS: The Mangaung Metropolitan Municipality also implemented other Water Conservation projects (viz. Real Loss Reduction Program; ACIP Program; Replacement of Water Meters and Fire Hydrants Program and the Thaba Nchu Rural Refurbishment Program) resulting in increased savings. LP: The reduced backwash frequency at Doorndraai plant contributed to the increased savings NC: Financial support received from the Department resulted in municipalities implementing WCWDM measures WC: The City of Cape Town used international based water conservation and water demand management strategy that have higher projections to the reconciliation studies. |
| 39a | Number of supported Water Services Authorities: Number of supported Water Services Authorities with Blue Drop Risk Rating (BDRR) above 70 percent | 40 WSAs were supported of which <ul style="list-style-type: none">• 7 are in EC• 10 are in FS• 1 is in LP• 2 are in MP• 16 are in NC• 2 are in NW• 2 are in WC | 42 Water Services Authorities | 69 Water Services Authorities | Over by 27 | FS: As a result of poor water quality at LMs more officials were appointed in the Drinking Water and Waste Water Management (DWWWM) section leading to supporting more municipalities. KZN and WC: The outcome of the Blue Drop report was used to support the identified WSAs. NW: The recovery plan that was implemented during the third quarter assisted the province to be on par with what was planned |

| Sub-programme | | Water Sector Support | | | | Comment on deviations |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 39b | Number of supported Water Services Authorities: Number of supported Water Services Authorities with Green Drop Cumulative Risk Rating (GDCRR) above 70 percent | 62 WSAs were supported of which <ul style="list-style-type: none">• 8 are in EC• 17 are in FS• 4 are in KZN• 3 are in MP• 19 are in NC• 7 are in NE• 4 are in WC | 55 Water Services Authorities | 73 Water Services Authorities | Over by 18 | FS: As a result of poor water quality at LMs and the release of the Green Drop report more officials were appointed leading to supporting more municipalities. KZN and WC: The outcome of the Green Drop report was used to support the identified WSAs. |
| 40 | Number of water services Authorities: Number of municipalities supported to implement water conservation and water demand management | 61 WSAs were supported of which <ul style="list-style-type: none">• 14 are in NC• 13 are in FS• 4 are in KZN• 30 are for ACIP | 28 Water Services Authorities | 40 Water Services Authorities | Over by 12 | EC: More WCWDM funding was availed for KouKamma LM and Kouga LM. In addition, Amathole DM received additional funds under ACIP to supplement the funding for the War on Leaks project. KZN: In an effort of assisting municipalities prepare for the No Drop, Blue Drop and Green Drop assessments, the region convened five forum meetings that supported all municipalities. |
| 41 | Number of community infrastructure water projects implemented through the Accelerated community infrastructure programme (ACIP) | 8 community infrastructure water projects were implemented of which <ul style="list-style-type: none">• 1 is in EC (Kwezi)• 1 is in FS (Jacobsdal)• 4 are in LP (Tshildzini, Mahlakwena, Muyexe, Giyani Pipeline C)• 1 is in MP (Mfolozi)• 1 is in NW (Ottoesdal) | 19 community infrastructure projects | 25 community infrastructure projects | Over by 6 projects | FS: Ngoate and Koppies received additional funds KZN: Ntuzuma received reallocation funds from WWTW |

| Sub-programme | | Water Sector Support | | | | Comment on deviations |
|---------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 42 | Percentage ⁵ of interventions made to prevent water supply, water quality and effluent quality incidents | 177 interventions made of which <ul style="list-style-type: none">• 13 were in EC• 33 were in FS• 13 were in GP• 4 were in KZN• 23 were in LP• 1 was in MP• 14 were in NC• 71 were in NW• 5 were in WC | 100% | 80% interventions (i.e. 74 of 93 interventions) | Under by 20% | The Gauteng, KwaZulu-Natal and Limpopo could not intervene owing to lack of capacity. |
| 43 | Number of households provided with (interim or basic) water supply in the 24 priority districts | 40 996 households were provided which <ul style="list-style-type: none">• 1 267 are in NC• 36 808 are in LP• 2 089 are in EC• 80 are in KZN• 752 are in NW | 144 491 households | 94 859 households | Under by 49 632 | EC: The schedule 5B and 6B were introduced in the middle of quarter 3, which resulted in most municipalities losing their IA statuses, and had to deviate from their initial planning. MP: The allocations for Bushbuckridge, Nkomazi and Mbombela municipalities were stopped due to non compliance with the signing of Service Level Agreement (SLAs) between municipalities and Implementing Agent (Rand Water) |

⁵ During the 2013/14 financial year the indicator was measured in numbers and during the 2014/15 financial year the unit of measurement was changed into a percentage as this is demand-driven

| Sub-programme | | Transfer of Water Schemes | | | | |
|---------------|---------------------------------------------------------|------------------------------------|--------------------------------------------|------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 44 | Number of prioritised (transferred) schemes refurbished | 41 prioritised schemes refurbished | 56 schemes prioritised schemes transferred | 60 completed | Over by 4 | EC and KZN: The municipal projects completed during the 4th quarter of their 2013/2014 financial year were captured in the Department's 1st quarter of the 2014/2015 financial year as these projects were implemented with funds transferred during the Department's 2013/2014 financial year. |

| Sub-programme | | Integrated Catchment Management | | | | Comment on deviations |
|---------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 45 | Number of rivers where River Health Programme is implemented | River health programme was implemented in 118 river of which <ul style="list-style-type: none">• 30 are in EC• 13 are in GP• 16 are in KZN• 4 are in LP• 4 are in MP• 3 are in NC• 8 are in NW• 40 are in WC | 117 rivers | 119 rivers | Over by 2 | Two additional rivers namely Noetzie and Salt / Sout were included in WC as weather conditions were favourable. |

| PPI no | Sub-programme Performance indicator | Integrated Catchment Management | | | | Comment on deviations |
|--------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 47 | Percentage completion of the additional refurbishment of the Rand Uranium treatment plant in the Western Basin ⁶ | 100% refurbished and extended the Rand Uranium Treatment plant to 53 Megalitres per day (immediate solution) | 100% completion | 90% complete Plant currently discharging 30 ML daily. Civil works for new pump station underway. | Under by 10% | The Rand Uranium Treatment Plant is currently partially treating (neutralising) 30 Mega litres of AMD daily and although this is sufficient during winter months, the plant and pump station are too small during the rainy season. Therefore work is underway to increase the pumping capacity by installing a new pump station and adding new pumps. This work should be commissioned by October 2015. The challenge is still the capacity of the refurbished treatment plant which is limited because of a lack of settling facilities (clarifiers). The building of new clarifiers is under consideration and construction should start as there is an agreement with the design and the costing. |
| 48 | Percentage operational capacity of the Central basin plant ⁷ | 95% completion of the short term mitigation measures in the Central Basin. The pumps, pipelines, electrical and related works was also completed. Testing and commissioning is underway. | 100% operational capacity of the Central basin plant (Plant operational at an average 57 mega litres per day) | 100% operational capacity of the Central basin plant Plant operational at an average 57 mega litres per day | - | - |

⁶ The original plan of constructing a new plant for the Western basin was deferred as the efficiency of the immediate solution (i.e. Upgrading the Rand Uranium treatment plant to 35 Mega litres per day was commissioned and fully operational). However, further refurbishment of this plant was planned to sustain its efficiencies.

⁷ The plant will be operating at an average 57 mega litres per day with a maximum of 74 mega litres per day

| PPI no | Sub-programme Performance indicator | Integrated Catchment Management | | | | Comment on deviations |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 49a | Percentage completion of the short term mitigating measures in the Eastern basin | 20% completion (The design and tender process have been concluded for the appointment of the contractor) | 100% completion of the short term mitigating measures in the Eastern basin (Commissioning) | 75% complete completion of the short term mitigating measures in the Eastern basin Major civil works nearing completion. Electrical and pipeline work has commenced | Under by 25% | Resolution of funding issues prevented prior award of construction contract. Backfilling water-logged area of construction site and ground stability testing on certain areas of the site caused a slight delay in work schedule |
| 50a | Percentage completion of the Environmental Impact Assessment for the implementation of the acid mine drainage long term solution in the Witwatersrand | 40% completion (The short term study has been developed which covers certain aspects of the long term EIA) | 75% completion of the Environmental Impact Assessment for the implementation of the acid mine drainage long term solution in the Witwatersrand (EIA study) | 0% completion of the Environmental Impact Assessment for the implementation of the acid mine drainage long term solution in the Witwatersrand | Under by 75% | Further research was to be done in terms of policies, regulation and technology to ensure that the department's approach for long term mitigation of AMD is justifiable with regard to water pricing. The outcome of the research will enable the inter-ministerial committee to ratify the way forward for long term mitigation measures, which will guide the suitable appointment of an Implementing agent that will be responsible for undertaking the completion of the Environmental Impact Assessment (EIA) |
| 50b | Percentage completion of the project plan for the acid mine drainage long term solution | 5% completion (The financial and institutional models have been identified. The desalination technology was also confirmed) | 10% completion of the project plan for the acid mine drainage long term solution (Procurement process and implementation) | 0% completion of the project plan for the acid mine drainage long term solution | Under by 10% | Further research was to be done in terms of policies, regulation and technology to ensure that the department's approach for long term mitigation of AMD is justifiable with regard to water pricing. The outcome of the research will enable the inter-ministerial committee to ratify the way forward for long term mitigation measures, which will guide the suitable appointment of an Implementing agent that will be responsible for undertaking the completion. Work is underway to ratify the recommendations of the Long-Term Feasibility Study |

| PPI no | Sub-programme Performance indicator | Integrated Catchment Management | | | | | Comment on deviations |
|--------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| 51 | Percentage of catchment assessments with potential AMD generating mines ⁸ | 1 catchment within 25 mines assessed (100% of Upper Vaal assessed) | 50% catchment assessments with potential AMD generating mines | 50% assessment of catchment assessments with potential AMD generating mines (Upper Vaal WMA assessed i.e. > 25 gold and coal mines) | - | - | |
| 52 | Percentage completion of the proposal of an environmental levy for the mining sector | - | 50% completion (A draft proposal on the environmental levy for the mining sector) | 30% completion Guidelines for drafting Environmental Levy proposal was sent to the National Treasury | under by 20% | | The determination of a mechanism for a specific environmental levy for AMD has been delayed |

⁸ This replaces indicator no 62 in the 2013/14 APP captured as number of catchments identified and assessed with mines that generate AMD. This recognises that a portion of the identified catchments will be assessed within a given year.

| Sub-programme | | National Sanitation Services | | | | |
|---------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 53 | Number of existing bucket sanitation system in formal settlements replaced with adequate sanitation services | 4 393 buckets replaced by March 2014 | 88127 buckets replaced by March 2015 | 20 581 buckets replaced by March 2015 | 67 546 buckets not replaced by March 2015 | Lack of adequate bulk infrastructure in projects; cash flow challenges by Implementing Agents; difficult soil or hard rock conditions; service delivery protest in projects |
| 54 | Number of existing bucket sanitation system in informal settlements replaced with adequate sanitation services | None | Feasibility studies (design), finalise plan, 92 000 existing buckets replaced. | None | Feasibility studies (design), finalise plan, 92 000 existing buckets replaced | Currently the Department is focusing on formal areas with buckets and not in informal areas |
| 55 | Number of household served through RHIP to eradicate sanitation backlog | 11 858 households served through RHIP to eradicate sanitation backlog | 63 118 households served through Rural Household Infrastructure Programme | 9 347 households served through Rural Household Infrastructure Programme | 53 771 households not served through Rural Household Infrastructure Programme | The submission of incomplete business plans for approval by the Accounting Officer delayed the transfer of funds to municipalities did not allow timeous procurement of contractors. |

4.3.5 Strategy to overcome areas of under performance

As the use of implementing agents was the main contributor for the under achievement of the sanitation milestones, the department will explore alternative delivery mechanisms that will include using contractors and dedicated project management capacity to manage the projects. In addition, a bulk infrastructure plan will be developed to ensure a coordinated implementation of water supply and sanitation.

4.3.6 Changes to planned targets

There were no changes made to the programme performance indicators (PPIs) of the then programme under Vote 38 (i.e. Water Affairs); however, there were additional PPIs that had to be incorporated in this programme for the National Sanitation Services as a result of the appropriation of the Department of Water and Sanitation (i.e. Vote 42) in October 2014. The additional PPIs that were incorporated are tabulated below

| PPI no | Programme performance indicator | Annual target |
|--------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| 53 | Number of existing bucket sanitation system in formal settlements replaced with adequate sanitation services | 88 127 buckets replaced by March 2015 |
| 54 | Number of existing bucket sanitation system in informal settlements replaced with adequate sanitation services | Feasibility studies (design), finalise plans, 92 000 buckets replaced |
| 55 | Number households served through Rural Household Infrastructure Programme (RHIP) to eradicate sanitation backlog | 63 118 households served through RHIP |

4.3.7 Linking performance with budgets

| Sub- Programme Name | 2014/2015 | | | 2013/2014 | | |
|--------------------------------------------|------------------------|-----------------------|------------------------------|------------------------|-----------------------|-----------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Regional Management and Support | 2 305 | 1 836 | 469 | 5 407 | 5 407 | - |
| Water Sector Support | 1 529 498 | 1 363 895 | 165 603 | 1 057 844 | 1 027 930 | 29 914 |
| Water Use Regulation | 363 852 | 342 754 | 21 098 | 291 249 | 291 249 | - |
| Institutional Establishment | 32 539 | 26 183 | 6 356 | 40 914 | 40 908 | 6 |
| Regional Bulk | 4 882 915 | 3 941 238 | 941 677 | 3 346 338 | 3 313 370 | 32 968 |
| Transfer of Water Schemes | 596 998 | 566 185 | 30 813 | 571 578 | 541 339 | 30 239 |
| Support Services | 350 717 | 329 294 | 21 423 | 338 500 | 338 490 | 10 |
| Water Services Projects | 202 233 | 202 233 | - | 190 453 | 190 380 | 73 |
| Integrated Catchment Management | 10 528 | 8 999 | 1 529 | 3 104 | 3 104 | - |
| Mine Water Management | - | - | - | 378 048 | 378 048 | - |
| Water Use Authorisation and Administration | 10 440 | 7 882 | 2 558 | - | - | - |
| National Sanitation Service | 1 088 805 | 387 649 | 701 156 | - | - | - |
| Total | 9 070 830 | 7 178 148 | 1 892 682 | 6 223 435 | 6 130 225 | 93 210 |

4.4 Programme 5: Water Sector Regulation

4.4.1 Programme purpose

The purpose of the programme is to ensure the development, implementation, monitoring and review of regulation across the water value chain in accordance with the provisions of the National Water Act (1998) and the Water Services Act (1997).

4.4.2 List the sub-programmes

Regulation Management and Support provide for the overall management and oversight of the programme.

Institutional Oversight involves institutional governance and oversight of all water institutions, and facilitates their establishment and development. This entails providing institutional support, establishing catchment management agencies and rendering advisory services oversight.

Economic and Social Regulation ensures that pricing is efficient and cost reflective, achieves value for money for consumers and, where appropriate, that trade-offs are made between the cost, quality and sustainability of services, focusing on developing finance and pricing strategies.

Water Supply Services and Sanitation Regulation regulates quality of drinking water and wastewater by using incentive and risk based regulation, such as the blue and green drop certification programmes, and enforcement tools, such as monitoring drinking water quality, setting drinking water standards, prescribing wastewater treatment and processes, and processing water information.

Water Resource Regulation ensures water use regulation through the development of policies, strategies, regulations, general authorisations, norms, standards and guidelines, evaluates / audit compliance and provides implementation training and support thereof.

Compliance Monitoring coordinates and monitors compliance to standards, license conditions and regulations across the full water value chain, includes water resources, dam safety, water hazards and water services.

Enforcement ensures that set of actions (administrative, criminal) are taken against non-compliance.

4.4.3 Strategic objectives

| No | Programme Name Strategic objectives | Water Sector Regulation | | | | Comment on deviations |
|-----|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 1.6 | Ensure effective performance of water management and services institutions | 100% completion of Inkomati-Usuthu CMA establishment 98% completion of the Breede-Gouritz | 44% completion in establishing Catchment Management Agencies Total of 4 CMAs established and 5 at various stages | A cumulative total of 55% completion (i.e. 5 of 9 CMAs established since 2013/14) Inkomati-Usuthu ⁹ , Breede-Gouritz, Limpopo/North West, Phongola-Mzimkulu and Olifants CMAs established. 100% completion 2 proto regional water utilities established namely • Expanding the Rand Water foot print to incorporate Bushbuckridge water board • Expanding the Sedibeng Water footprint to incorporate Pelladri and Botshelo water boards | Olifants CMA was planned for establishment in 2015/16 financial year | - |
| | | - | 100 percent 2 proto regional water utilities established | 100% completion 2 proto regional water utilities established namely • Expanding the Rand Water foot print to incorporate Bushbuckridge water board • Expanding the Sedibeng Water footprint to incorporate Pelladri and Botshelo water boards | - | - |

⁹ Inkomati-Usuthu was established in 2013/14

| Programme Name | | Water Sector Regulation | | | | |
|----------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 2.3 | Strengthen and implement strategies for water management in the country | | 50% completion in establishing the national water infrastructure agency (Establishment of the proto-agency; Approved agency bill) | 0% completion in establishing the national water infrastructure agency | Under by 50% | A new proposal on the establishment of the water infrastructure agency that will align with the new DWS is being developed and will be included in the 2015/16 APP |
| | | 16 institutions' business plans were received and analysed | 13 institutions (9 WBs, TCTA, WRC, 2 CMAs) | 13 Institutions complying with planning prescripts 2 CMA business plans (BP); 9 water boards (WBs) shareholder compacts; WRC BP and the TCTA corporate plan submitted to Minister for approval. | - | - |
| | | 16 institutions quarterly reports were received and analysed 16 institutions' annual reports were received and analysed | 13 institutions (9 WBs, TCTA, WRC, 2 CMAs) | 13 institutions complied with reporting prescripts 9 WBs, TCTA, WRC and 2 CMAs quarterly reports submitted | - | - |
| | | Draft pricing strategy developed | 100% completion of the revised water pricing strategy Final gazetting | 60% completion of the revised water pricing strategy Stakeholder comments incorporated. Gazette submission submitted. | Under by 40% | The pricing strategy was not gazetted for public consultation as the NT raised issues of concern and recommended broader consultation |

| Programme Name | | Water Sector Regulation | | | | Comment on deviations |
|----------------|----------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 3.1 | Ensure compliance to water legislation | 913 water treatment supply systems assessed 100% completion of Blue Drop progress report | 55% completion (2013/14 blue drop report and assessment of 300 water supply systems) | 53% completion Draft 2013/14 Blue drop Report. | Under by 2% 300 Water Supply Systems were not assessed | The finalisation of the Blue Drop report was delayed as verification audits had to be conducted in Free State, Gauteng, Limpopo, Mpumalanga and Western Cape Provinces negatively impacting on undertaking the targeted 300 assessments |
| | | 967 wastewater treatment collector systems assessed 100% completion of Green Drop report | 55% completion (2013/14 blue drop report and assessment of 300 water supply systems) | 32% completion <ul style="list-style-type: none">Pre-populated score sheets developed & sent to WSAs799 pre-populated score sheets for self assessment received from WSAsDraft 2013/14 Blue Drop Report | Under by 23% | The finalisation of the Blue Drop report was delayed as verification audits had to be conducted in Free State, Gauteng, Limpopo, Mpumalanga and Western Cape Provinces negatively impacting on undertaking the targeted 300 assessments <ul style="list-style-type: none">Tender under review for assessment for 3 years.Technical Indicator description review –list of systems added to Technical Indicator descriptors |

| No | Programme Name Strategic objectives | Water Sector Regulation | | | | Comment on deviations |
|-----|-------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 4.1 | Ensure compliance to water legislation | Institutional option for economic regulation finalised | 50% completion 2013/14 green drop progress report and assessment of 250 wastewater collector systems | 20% completion • Criteria for assessments and score sheets developed • Training of inspectors & allocation of panel • Draft Green Drop report | Under by 30% • Tender under review for assessment for 3 years. • Technical Indicator description review –list of systems added to Technical Indicator descriptors. | The finalisation of the Green Drop report was delayed as verification audits had to be conducted in Limpopo negatively impacting on undertaking the targeted 250 assessments |
| | | 188 dams evaluated for compliance with dam safety regulations | 140 dams evaluated for compliance with dam safety regulations | A total of 170 dams evaluated for compliance with dam safety regulations | Over by 30 | This was as a result of an awareness campaign that included sending out 1575 letters to dam owners and approved professional persons (APPs) reminding and instructing them to comply with Dam Safety Regulations. |
| | | 114 mines | 100 mines | A total of 114 water users monitored for compliance within the mining sector | Over by 14 | The additional 14 mines were as a result of co-ordinated and concerted approach in which the department collaborated with prioritised mines in Mpumalanga. |
| | | - | 12 users | A total of 22 water users monitored for compliance within industry | Over by 10 | Joint audits initiated by DEA resulted in assessing additional water users which were initially not prioritised by each Provincial Operation and Head Office. |

| No | Programme Name Strategic objectives | Water Sector Regulation | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|----|----------------------------------------|------------------------------|--------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| | | - | 36 users | A total of 44 water users monitored for compliance within the agriculture sector | Over by 8 | This was as a result of the successful implementation of the Dairy Blitz Operation (that sought to conduct compliance monitoring in order to expose possible illegal water users and take enforcement actions against identified transgressions) and the implementation of winery compliance monitoring in the Western Cape. | |
| | | - | 12 users | A total of 23 water users monitored for compliance within SFRA | Over by 11 | The permits of the 12 identified users contained two or three properties in close proximity of each other and it was decided to also audit the additional properties. | |
| | | - | 100% | 99% of reported non-compliant cases investigated (i.e. 266 of 269 cases investigated) | Under by 1% | The remaining 3 cases are still under investigation and have not yet been finalised yet. | |

4.4.4 Performance indicators

| PPI no | Sub-programme Performance indicator | Economic and Social Regulation | | | | Comment on deviations |
|--------|-------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 56 | Percentage completion of the revised water pricing strategy | Draft pricing strategy developed | 100% completion of the revised water pricing strategy Final gazettement | 60% completion of the revised water pricing strategy Stakeholder comments incorporated. Gazette submission submitted. | Under by 40% | The pricing strategy was not gazetted for public consultation as the NT raised issues of concern and recommended broader consultation. |
| 58 | Percentage completion in establishing economic regulation | Institutional option for economic regulation finalised | 55% completion in establishing economic regulation Draft economic regulation strategy developed | 53% completion in establishing economic regulation Draft implementation strategy on the economic regulation chapters and the gap analysis have been developed but have not been finalised | Under by 2 % | The implementation strategy on the economic regulation have not been finalised due to the final phase of consultation. |

| Sub-programme | | Water Supply Services and Sanitation Regulation | | | | Comment on deviations |
|---------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 57a | Percentage completion in assessing water supply systems for drinking water supply standards | 913 water treatment supply systems assessed 100% completion of Blue Drop progress report | 55% completion (2013/14 blue drop report and assessment of 300 water supply systems) | 32% completion <ul style="list-style-type: none"> Pre-populated score sheets developed & sent to WSAs 799 pre-populated score sheets for self assessment received from WSAs Draft 2013/14 Blue Drop Report | Under by 23% | <p>The finalisation of the Blue Drop report was delayed as verification audits had to be conducted in Free State, Gauteng, Limpopo, Mpumalanga and Western Cape Provinces negatively impacting on undertaking the targeted 300 assessments</p> <ul style="list-style-type: none"> Tender under review for assessment for 3 years. Technical Indicator description review –list of systems added to Technical Indicator descriptors |
| 57b | Percentage completion in assessing wastewater treatment collector systems for compliance with effluent standards | 967 wastewater treatment collector systems assessed 100% completion of Green Drop report | 50% completion 2013/14 green drop progress report and assessment of 250 wastewater collector systems | 20% completion <ul style="list-style-type: none"> Criteria for assessments and score sheets developed Training of inspectors & allocation of panel Draft Green Drop report | Under by 30% | <p>The finalisation of the Green Drop report was delayed as verification audits had to be conducted in Limpopo negatively impacting on undertaking the targeted 250 assessments</p> <ul style="list-style-type: none"> Tender under review for assessment for 3 years. Technical Indicator description review –list of systems added to Technical Indicator descriptors. |

| PPI no | Sub-programme Performance indicator | Compliance Monitoring | | | | Comment on deviations |
|--------|------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 59 | Number of dams evaluated for compliance with dam safety regulations | 188 dams evaluated for compliance with dam safety regulations | 140 dams evaluated for compliance with dam safety regulations | A total of 170 dams | Over by 30 | This was as a result of an awareness campaign that included sending out 1575 letters to dam owners and approved professional persons (APPs) reminding and instructing them to comply with Dam Safety Regulations. |
| 60a | Number of water users monitored for compliance within the mining sector | 114 mines | 100 mines | A total of 114 water users | Over by 14 | The additional 14 mines were as a result of co-ordinated and concerted approach in which the department collaborated with prioritised mines in Mpumalanga. |
| 60b | Number of water users monitored for compliance within industry | - | 12 users | A total of 22 water users | Over by 10 | Joint audits initiated by DEA resulted in assessing additional water users which were initially not prioritised by each Provincial Operation and Head Office. |
| 60c | Number of water users monitored for compliance within the agriculture sector | - | 36 users | A total of 44 water users | Over by 8 | This was as a result of the successful implementation of the Dairy Blitz Operation (that sought to conduct compliance monitoring in order to expose possible illegal water users and take enforcement actions against identified transgressions) and the implementation of winery compliance monitoring in the Western Cape. |
| 60d | Number of water users monitored for compliance within SFRA | - | 12 users | A total of 23 water users | Over by 11 | The permits of the 12 identified users contained two or three properties in close proximity of each other and it was decided to also audit the additional properties. |

| Sub-programme | | Enforcement | | | | Comment on deviations |
|---------------|---------------------------------------------------------|------------------------------|--------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 61 | Percentage of reported non-compliant cases investigated | - | 100% | 99% achieved (i.e. 266 of 269 cases investigated) | Under by 1% | The remaining 3 cases are still under investigation and have not yet been finalised yet. |

| Sub-programme | | Institutional Oversight | | | | Comment on deviations |
|---------------|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 9 | Percentage completion in establishing Catchment Management Agencies | 100% completion of Inkomati-Usuthu CMA 98% completion of Breede-Gouritz (submission to gazette Breede-Gouritz CMA submitted) | 44% completion Total of 4 CMAs established and 5 at various establishment stages | A cumulative total of 55% completion (i.e. 5 of 9 CMAs established since 2013/14) Inkomati-Usuthu ¹⁰ , Breede-Gouritz, Limpopo/North West, Phongola-Mzimkulu and Olifants CMAs established. | Olifants CMA was planned for establishment in 2015/16 financial year | - |
| 10a | Percentage completion in establishing proto regional water utilities | - | 100% 2 proto regional water utilities established | 100% completion 2 proto regional water utilities established namely • Expanding the Rand Water foot print to incorporate Bushbuckridge water board • Expanding the Sedibeng Water footprint to incorporate Pelladri and Botshelo water boards | - | - |

¹⁰ Inkomati-Usuthu was established in 2013/14

| Sub-programme | | Institutional Oversight | | | | Comment on deviations |
|---------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 11 | Percentage completion in establishing the national water infrastructure agency | - | 50% completion (Establishment of the proto-agency; Approved agency bill) | 0% completion | Under by 50% | A new proposal on the establishment of the water infrastructure agency that will align with the new DWS is being developed and will be included in the 2015/16 APP |
| 12a | Number of water institutions complying with planning prescripts | 16 institutions' business plans were received and analysed | 13 institutions (9 WBs, TCTA, WRC, 2 CMAs) | 13 Institutions 2 CMA business plans (BP); 9 water boards (WBs) shareholder compacts; WRC BP and the TCTA corporate plan submitted to Minister for approval. | - | - |
| 12b | Number of water institutions complying with reporting prescripts | 16 institutions' quarterly reports were received and analysed 16 institutions' annual reports were received and analysed | 13 institutions (9 WBs, TCTA, WRC, 2 CMAs) | 13 institutions complied with reporting prescripts 9 WBs, TCTA, WRC and 2 CMAs quarterly reports submitted | - | - |

4.4.5 Strategy to overcome areas of under performance

As the finalization of water use licence applications was one of the main contributors to the programme's under performance, a new business process has been developed deal with all outstanding and future applications. In addition, a new proposal on the establishment of the water infrastructure agency that will align with the new Department of Water and Sanitation is being developed and will be included in the 2015/16 financial year

4.4.6 Changes to planned targets

During the mid-term the annual targets of two programme performance indicators (i.e. PPIs no 57 a and b) in this programme were reduced as verification audits had to be conducted for Free State, Gauteng, Limpopo, Mpumalanga and Western Cape impacted on the targeted assessments. The revisions are tabulated below:

| Old PPI and targets as tabled in the 2014/15 APP | | | Revised PPIs and targets as post adjustment | | |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| PPI no | Programme performance indicator | Annual target | PPI no | Programme performance indicator | Annual target |
| 54a | Percentage completion in assessing water supply systems for drinking water supply standards | 100% completion (2013/14 Blue Drop report and assessment of 1084 water supply systems) | 57a | Percentage completion in assessing water supply systems for drinking water supply standards | 55% completion (300 water supply systems for 2014/15 and 2013/14 Blue Drop report finalised) |
| 54b | Percentage completion in assessing wastewater treatment collector systems for compliance with effluent standards | 100% completion (2013/14 Green Drop progress report and assessment of 1028 wastewater collector systems) | 57b | Percentage completion in assessing wastewater treatment collector systems for compliance with effluent standards | 50% completion (250 wastewater collector systems for 2014/15 and 2013/14 Green Drop progress report finalised) |

4.4.7 Linking performance with budgets

| Sub- Programme Name | 2014/2015 | | | 2013/2014 | | |
|--------------------------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Regulation Management and Support | 6 856 | 3 423 | 3 433 | 928 | 852 | 76 |
| Economic and Social Regulation | 7 683 | 4 472 | 3 211 | - | - | - |
| Water Use Authorisation Administration | 9 722 | 9 085 | 637 | 16 114 | 12 825 | 3 289 |
| Water Supply Services and Sanitation Regulations | 32 705 | 16 035 | 16 670 | 30 376 | 23 082 | 7 294 |
| Water Resource Regulation | 28 203 | 25 487 | 2 716 | 43 180 | 41 800 | 1 380 |
| Compliance Monitoring | 21 799 | 21 767 | 32 | 626 | 40 | 586 |
| Enforcement | 14 795 | 14 030 | 765 | 17 105 | 13 424 | 3 681 |
| Institutional Oversight | 44 336 | 35 275 | 6 061 | - | - | - |
| Total | 163 099 | 129 574 | 33 523 | 108 329 | 92 023 | 16 306 |

4.5 Programme 6: International Water Cooperation

4.5.1 Programme Purpose

The purpose of the programme is to strategically develop, promote and manage international relations on water resources between countries through bilateral and multilateral cooperation instruments and organisations in line with provisions of the National Water Act (1998). Pursue national interests at both African multilateral and global multilateral organisations and forums.

4.5.2 List the sub-programmes

International Relations Management and Support ensures overall management and oversight of the programme.

Africa Cooperation fulfils the department's responsibility of advancing the African agenda through promoting and facilitating collaborative activities in support of the water sector.

Global Cooperation promotes and advances national interest at global governance institutions, strategically engage in bilateral arrangement with countries outside Africa and explore opportunities to leverage off resources from donor countries.

4.5.3 Strategic Objectives

| Programme Name | | International Water Cooperation | | | | |
|----------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 1.5 | Coordinate regional and global water cooperation | <p>None established, however, progress is as follows:</p> <p>i RSA – Ethiopia</p> <p>A memorandum of understanding is ready for signing</p> <p>ii RSA-Zimbabwe</p> <p>The negotiations for establishing a partnership are still ongoing</p> <p>iii RSA - Burundi</p> <p>A draft agreement is being negotiated</p> <p>iv RSA - Sao Tome and Principe</p> <p>A fact finding mission to Sao Tome and Principe was undertaken and a declaration of intent on Water and Health sector interventions was signed. A Sao Tome delegation was also hosted on a study tour.</p> <p>v RSA - Sierra Leone</p> <p>9 existing partnerships implemented in Africa as follows:</p> <p>(i) RSA - DRC:</p> <p>Implementation of the water supply infrastructure project in Katanga Province is ongoing.</p> | <p>3 namely</p> <ul style="list-style-type: none">BurundiSao Tome and PrincipeZimbabwe | <p>Two, however, progress is as follows:</p> <p>1 Sao Tome and Principe</p> <p>A draft MoU has been developed and a feasibility study was conducted from 14 - 21 July 2014. Application for funding was drafted and submitted for approval to the African Renaissance Fund (ARF) office</p> <p>2 RSA - Burundi</p> <p>Both parties re-negotiated areas of cooperation due to the departmental configuration to include Sanitation Programme, which was not included in the original draft.</p> <p>3 RSA-Zimbabwe</p> <p>The agreement was finalised for signing</p> | <p>Under by 1</p> | <p>The signing ceremony was postponed by Zimbabwe</p> |
| | | | <p>9 namely</p> <ul style="list-style-type: none">BotswanaDRCNamibiaRwandaUganda | <p>Eight implemented, however, progress is as follows:</p> <p>1 RSA - Namibia</p> <p>Principles of co-operation for the bilateral have been finalised.</p> | <p>Under by 1</p> | <p>Uganda requested for a postponement</p> |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>(ii) RSA-Rwanda: Phase 1 training for 27 Rwandese on hydrological services and flood management was conducted on 3- 20 Sept 2013.</p> <p>(iii) RSA - Namibia: Negotiations are ongoing on the principles of cooperation.</p> <p>(iv) RSA-Uganda The scheduled joint technical committee meeting was convened on 22-24 April 2013 where a draft action plan was developed</p> <p>(v) RSA- Sudan. A delegation of 15 water experts from South Sudan was hosted from 26 – 30 August 2013 focussing on knowledge and information sharing on water for irrigation purposes.</p> <p>(vi) RSA- South Sudan; A delegation of 15 water experts from South Sudan was hosted from 26 – 30 August 2013 focussing on knowledge and information sharing on water for irrigation purposes.</p> <p>(vii) RSA – Swaziland The scheduled joint water commission meetings (23 October and 27 November 2013) were convened.</p> | <ul style="list-style-type: none"> Ethiopia Tanzania Lesotho Swaziland | <p>Developed Terms of Reference for the guidelines for Vioolsdrift Feasibility Study. Appointed a service provider for Vioolsdrift Feasibility Study. Conducted a feasibility Study for the Drought Relief Programme in response to the Presidential Initiative. Finalised the scope of intervention, a report was submitted in this regard.</p> <p>2 RSA-Rwanda Hosted a Joint Committee Meeting 29 - 30 September 2014. At this meeting, both parties agreed to renew the expired MOU bilateral agreement.</p> <p>3 RSA-Botswana The Presidential Bi-National Commission (BNC) was hosted by the Republic of Botswana where the Cross Border Water Supply (CBWS) Agreement was signed by Sedibeng Water Board and Botswana Water Utilities Cooperation (WUC).</p> <p>4 RSA-Swaziland The JWC members convened a meeting which resolved to strengthen RSA/Swaziland partnership by providing the Kingdom of Swaziland with additional water from the Pongola Poort Dam for the purpose of economic development;</p> | | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 |
| | | <p>They focused on Restructuring of KOBWA Loans, amendment of the treaty and the Driekoppies Relocation Action Plan (RAP).</p> <p>(viii) RSA-Botswana</p> <p>The Presidential Bi-National Commission (BNC) was hosted in South Africa where the ongoing water cooperation was re-endorsed with new initiatives.</p> <p>(ix) RSA – Tanzania</p> <p>Cooperation in the water sector is ongoing</p> | | <p>5 RSA-Tanzania</p> <p>Both parties agreed on areas of cooperation. A draft MoU was developed</p> <p>6 RSA-Ethiopia</p> <p>Both parties agreed on areas of cooperation. A draft MoU was developed.</p> <p>7 RSA-Lesotho</p> <p>RSA technical team met with the Lesotho delegates on 13 March 2015 where technical know-how on dam safety, infrastructure development aimed at enhancing the skills development and knowledge between the two countries.</p> <p>8 RSA-DRC</p> <p>The Katanga water refurbishment Project has been completed, a report has been submitted by the implementing agent to DWS for hand over.</p> | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>3 Trans-boundary Water Management Projects implemented</p> <p>(i) Orange- Senqu River Basin Commission (ORASECOM)</p> <p>Through the Sasol /GIZ/ Emfuleni Municipality Water Conservation Management Project, 40 local people have been trained as water conservation warriors and assistant plumbers.</p> <p>(ii) Limpopo River Basin Commission (LIMCOM)</p> <p>The LIMCOM Monograph study to assess water availability in the Limpopo River Basin was completed in 18 December 2013.</p> <p>(iii) Joint Study Management Committee (JSMC)</p> <p>Flowing from the MoU signed during the previous financial year, a task team was appointed to develop terms of reference for the feasibility study (i.e. Botswana to obtain water from the Lesotho Highlands Water project).</p> | <p>3 namely</p> <ul style="list-style-type: none"> • ORASECOM • LIMCOM • TPTC | <p>Three projects implemented and progress is as follows:</p> <p>1 LIMCOM</p> <p>Finalised the LIMCOM hosting agreement and parties agreed that Mozambique will host the permanent secretariat; advertised the vacant post of the LIMCOM Executive Secretary.</p> <p>2 ORASECOM</p> <p>Adopted the Strategic Action Programme (SAP) and the National Action Plan (NAP) which gives further impetus to the joint integrated management of the water resources of the Orange Senqu River Basin.</p> <p>3 TPTC</p> <p>Decision on the hosting of the TPTC Secretariat was taken and members agreed that Swaziland will be the host of the Secretariat.</p> | - | - |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | - | 3 namely • SADC • NEPAD • AMCOW | Three engagements and progress is as follows: 1 SADC Participated in the SADC Integrated Water Resource Management Pilot Project Meeting in Botswana to finalise a Local Water Development and Management plan for the Limpopo pilot project. DWS participated in the River Basins Organisations Workshop 2 NEPAD Had an introductory meeting with the NEPAD Water Centres of Excellence Secretariat to discuss and explore possible collaboration with the Department 3 AMCOW Participated in the Technical Advisory Committee Meeting as well as the 9th General Assembly meeting in Senegal. | - | - |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>2 new partnerships established outside Africa as follows</p> <p>(i) RSA-Cuba The agreement was signed on 09 September 2013</p> <p>(ii) RSA-Netherlands The agreement was signed on 21 November 2013</p> | <p>4</p> <ul style="list-style-type: none"> • Korea • Iran • Mexico • Spain | <p>Four partnerships</p> <p>1 RSA-Spain</p> <p>Both parties agreed on possible areas of cooperation for inclusion in the proposed MoU to be finalised in 2015.</p> <p>2 RSA-Mexico</p> <p>Both parties agreed on areas of cooperation and the exchanged draft MoU which is in the process of being vetted by the legal departments of both countries for finalisation in 2015/16.</p> <p>3 RSA-Iran</p> <p>Both parties agreed on the areas of cooperation and to enter into a MoU. A draft MoU was circulated for inputs by both parties and finalization.</p> <p>4 RSA- Korea</p> <p>Both parties agreed and finalised the areas of cooperation. A Memorandum of Understanding in the field of water between South Africa and Korea was agreed to and currently undergoing legal processing for finalization in 2015/16</p> | | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>5 existing partnerships implemented with countries outside Africa as follows</p> <p>(i) RSA – Japan</p> <p>One (1) Ministerial and three (3) technical engagements were convened</p> <p>(ii) RSA – China</p> <p>A Bi - National Commission (BNC) was held on 28 - 29 October 2013 and a commission meeting held including the training of two (2) DWA officials on artificial recharge in China.</p> <p>(iii) RSA – Vietnam</p> <p>A joint meeting was held in August 2013 that agreed on a new focus area (WC/DM) for implementation.</p> <p>(iv) RSA-Russia</p> <p>A formal communication on SA's decision on a hydrological model (ECOMAG) and a proposal to review RSA-Russia agreement was submitted to the Russians.</p> <p>(v) RSA – Netherlands</p> <p>The development phase of the DWA – ORIO agreements on Ethekwini, Elundini and Umgungundlovu were implemented and finalised.</p> | <p>6 namely</p> <ul style="list-style-type: none"> • Japan • Cuba • China • Vietnam • Netherlands • Russia | <p>Over by 1</p> <p>1 RSA-Netherlands</p> <p>Joint Water Resource Steering Committee (JWRSC) was established in giving effect to the signed agreement. Action Plan for the implementation of JWRSC was developed and agreed upon. First steering committee meeting held in Netherlands in November 2014.</p> <p>2 RSA-Cuba</p> <p>Release agreement signed with a view to release 35 Cuban Water Specialists for a period of 2 years. Work permits for the 35 Cubans successfully granted including working visas. All Human Resources Processes including benefits were completed and implemented for the absorption of Cubans into the DWS system. All Cuban Water Experts were successfully placed in all the regions.</p> <p>3 RSA - Japan</p> <p>A workshop on Disaster Management was successfully hosted in RSA on 25 - 29 August 2014 as per the implementation plan of the RSA- Japan Joint Resolution.</p> | <p>1 over achievement by Denmark</p> | <p>Denmark was added after the priorities were shifted to be in line with the current strategic objectives</p> |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | | | <p>4 RSA-Russia</p> <p>Both parties worked on new areas of collaboration for consideration by the Department. Both parties developed initial working document in line with the BRICS partnership at the ITEC meeting led by DIRCO.</p> <p>5 RSA-Denmark</p> <p>Both parties exchanged areas of collaboration and submitted the first draft for consideration and endorsement by the Department. Mandate on the collaboration granted by both ministers.</p> <p>6 RSA-Vietnam</p> <p>The engagement was re-scheduled with a view to revisit areas of cooperation in line with the new DWS priorities and mandate. In line with the new mandate and priorities Korea and Iran were prioritised</p> <p>7 RSA-China</p> <p>New areas of cooperation for renegotiation of the MoU were finalised and approved by the Minister. The DWS's visit to China was postponed from March to April 2015</p> | | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>10 strategic engagements with international organisations as follows:</p> <p>(i) UNFCCC</p> <p>The Department participated and contributed in subsidiary bodies on scientific and technological advice and innovation on 3 – 14 June 2013 in Bonn, Germany as well as the COP 19 in Warsaw.</p> <p>(ii) WEF</p> <p>The Department participated and contributed during the World Economic Forum in Davos, 21-26 January 2014</p> <p>(iii) Stockholm World Water Week (SWWW)</p> <p>The Department coordinated the South African Water sector participation at the SWWW through inter alia thematic presentations, exhibitions, junior water prize.</p> <p>(iv) World Water Day</p> <p>The Department participated and contributed through presentations and panel discussions at the WWD on 20 – 21 March 2014 in Tokyo</p> | <p>10 namely</p> <ul style="list-style-type: none"> • WWC • SIWI • UNESCO • EU • UNFCCC • UNFCCC • BRICS • UNGA • WEF • WWD | <p>Seven engagements however progress is as follows:</p> <p>1 UNFCCC</p> <p>The Water position has been submitted to DIRCO and DEA as well as progressive input from zero draft to the final and current text draft.</p> <p>2 UNFCCC</p> <p>DWS successfully contributed to the SA climate change position and participated in the negotiations of the Subsidiary Bodies held in Bonn 2- 15 June 2014. DWS Officials participated at the COP20 and CMP10 in Lima, Peru on 1-12 December 2014.</p> <p>3 Stockholm World Water Week and SIWI</p> <p>DWS successfully coordinated the participation of the SA water sector at the 2014 Stockholm World Water Week on 31 August – 5 September 2014. The Minister successfully led the delegation and delivered SA perspectives at different sessions at the Stockholm Water Week. DWS successfully participated at the SA-Sweden official meeting in February 2015.</p> | Under by 3 | <p>The SA-EU Joint Cooperation Council has been postponed; the planned BRICS Urbanization Forum was postponed</p> |

| No | Programme Name Strategic objectives | International Water Cooperation | | | |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 |
| | | <p>(ii) WEF</p> <p>The Department participated and contributed during the World Economic Forum in Davos, 21-26 January 2014</p> <p>(iii) Stockholm World Water Week (SWWW)</p> <p>The Department coordinated the South African Water sector participation at the SWWW through inter alia thematic presentations, exhibitions, junior water prize.</p> <p>(iv) World Water Day</p> <p>The Department participated and contributed through presentations and panel discussions at the WWD on 20 – 21 March 2014 in Tokyo.</p> <p>(v) UNCSD /Post 2015</p> <p>The Department participated and contributed in the Post 2015 process through four UN Open Working Group meetings in Geneva, New York, Hungary and Korea which resulted in the development of the Water Sector Position for inclusion in the National agenda. Also contributed to the Africa agenda in support of three (3) cluster teams namely, Environmental Sustainability, Economic Development</p> | | <p>4 UNGA: DWS</p> <p>Contributed to the final version of Zero draft of the SDGs through DIRCO and DEA at the 68th session. SA indicated it shall form the basis of the forthcoming intergovernmental negotiations to be held in June 2015 at the UN and of the 70th session of UNGA.</p> <p>5 WWC</p> <p>Successful participation of SA delegation led by Minister to the 7th WWF wherein Ministerial Declaration was endorsed, with SA represented by Government, the water sector entities and organizations ,parliamentarians ,researchers and academics in the sector.</p> <ul style="list-style-type: none"> The SA delegation presented and participated in most of the Themes and Side-events Minister's presence was lauded by African national states as she was able to present Africa's stance at the high level roundtables and as a panellist in many sessions. | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>and People to People. The latter was held at UN headquarters in March 2014.</p> <p>(vi) Stockholm International Water Institute (SIWI)</p> <p>The Department negotiated the renewal of the Stockholm Junior Water Prize agreement.</p> <p>(vii) UNESCO</p> <p>The Department participated at the UNESCO Strategic and High Level meeting on Water Security and Cooperation in Nairobi, Kenya, from 11-13 September 2013</p> <p>(viii) World Water Forum 7</p> <p>The Department participated at the Budapest Water Summit in Hungary, 11-13 October 2013</p> <p>(ix) AMCOW</p> <p>South Africa participated in the 11th AMCOW EXCO and TAC meetings from 3-6 June 2013 in Egypt where a 2013 AMCOW country progress report and 10 African mechanisms for monitoring and evaluation for reporting to the AU summit were adopted</p> <p>(x) SADC</p> <p>South Africa participated in the SADC regional water supply and sanitation programme that was scheduled from 24 to 28 March 2014 in Livingstone, Zambia.</p> | | <ul style="list-style-type: none"> SA entered into working collaborations with World Water Council (WWC), UN-Water, Women for Water Partnership (WfWP) and UN Secretary General Advisory Board (UNSGAB) on support for the SDG process. <p>6 UNESCO</p> <p>The Agreement is with the Chief State Law Adviser for a legal opinion on the engagement and partnership areas.</p> <p>7 WEF</p> <p>Minister successfully led the DWS participation at the annual World Economic Forum in Davos from 21-24 January 2015. Minister engaged with the World leaders and organizations on Water issues and engaged on a working relationship with Water Resource Group (WRG) and World Economic Forum (WEF) on Water and development using PPP platforms that include Strategic Water Partnership Network (SWPN)</p> | | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | |
| | | <p>8 projects receiving ODA</p> <p>i) Two Departmental officials received support from JICA to attend a training on water supply management in Japan to the value of R100 000.</p> <p>ii) 19 municipal officials led by a departmental official received training funded by Japan to the value R1.2 million.</p> <p>iii) The DWA-ORIO uMgungundlovu agreement has been signed to the value of R5.5 million.</p> <p>iv) Modimolle municipality received training on sewage technology and urban drainage in Japan to the value of R120 000.</p> <p>v) The ORIO – EThekweni agreement has been signed to the value of R150 million.</p> <p>vi) The departmental North West province officials received funding to attend a training on water distribution and service in Japan to the value of R120 000</p> <p>vii) The departmental Free State province received support from JICA to attend a training programme on water quality and purification to the value of R120 000.</p> <p>viii) Approval has been granted for the DWA-ORIO Elundini project for the implementation phase to the value of approximately R100 million</p> | <p>4 namely</p> <ul style="list-style-type: none"> • Japan • Netherlands • Australia • Germany | <p>Four countries targeted</p> <p>1 Netherlands</p> <p>DWS hosted the Netherlands Facility for Infrastructure Development (ORIO) resulting in two projects (Umgungundlovu & Elundini) receiving funding for implementation Phase. An agreement between the DWS and Netherlands was signed regarding the Dutch support for the uMgungundlovu project to the value of R63 Million</p> <p>2 Japan</p> <p>Two provinces KZN and NW received training support from Japan International Cooperation Agency (JICA) on areas of industrial and sewerage water. A team of 20 officials from DWS and the Municipalities received support from the Government of Japan and attended training on Drinking water supply in Japan 15 to 29 November 2014. The support on the training is valued at R1.6 Million</p> <p>3 Australia</p> <p>The Australian Government through the Monash University (MU) provided support to the DWS youth summit held from 29 June 05 July 2014 to the value of R70000 for engagements on technical assistance provided by the Monash University</p> | | |

| No | Programme Name Strategic objectives | International Water Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | | | <p>4 Germany</p> <p>The German Government has provided funding to the Middle Olifants South Africa Project to the value of 4 Million Euros. Due to the nature and area of the engagement and collaboration, that it is a research project, DWS has recommended WRC to run the project on behalf of the department with the department coordinating and facilitating the process at a diplomatic level</p> | | |

4.5.4 Performance Indicators

| PPI no | Sub-programme | Africa Cooperation | | | | Comment on deviations |
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| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 62a | Number of new strategic partnerships established with countries in Africa | <p>None established, however, progress is as follows:</p> <ul style="list-style-type: none"> i RSA – Ethiopia A memorandum of understanding is ready for signing ii RSA-Zimbabwe The negotiations for establishing a partnership are still ongoing iii RSA - Burundi A draft agreement is being negotiated iv RSA-Sao Tome and Principe A fact finding mission to Sao Tome and Principe was undertaken and a declaration of intent on Water and Health sector interventions was signed. A Sao Tome delegation was also hosted on a study tour. v RSA - Sierra Leone | <p>3 namely</p> <ul style="list-style-type: none"> • Burundi • Sao Tome and Principe • Zimbabwe | <p>Two, however, progress is as follows:</p> <ul style="list-style-type: none"> 1 RSA - Sao Tome and Principe A draft MoU has been developed and a feasibility study was conducted from 14 - 21 July 2014. Application for funding was drafted and submitted for approval to the African Renaissance Fund (ARF) office 2 RSA - Burundi Both parties re-negotiated areas of cooperation due to the departmental configuration to include Sanitation Programme, which was not included in the original draft 3 RSA-Zimbabwe The agreement was finalised for signing | Under by 1 | The signing ceremony was postponed by Zimbabwe |

| Sub-programme | | Africa Cooperation | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
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| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | | |
| 62b | Number of existing strategic partnerships implemented with countries in Africa | <p>9 existing partnerships implemented in Africa as follows:</p> <p>(i) RSA - DRC:</p> <p>Implementation of the water supply infrastructure project in Katanga Province is ongoing.</p> <p>(ii) RSA-Rwanda:</p> <p>Phase 1 training for 27 Rwandese on hydrological services and flood management was conducted on 3-20 Sept 2013.</p> <p>(iii) RSA - Namibia:</p> <p>Negotiations are ongoing on the principles of cooperation.</p> <p>(iv) RSA-Uganda</p> <p>The scheduled joint technical committee meeting was convened on 22-24 April 2013 where a draft action plan was developed.</p> <p>(v) RSA- Sudan</p> <p>A delegation of 15 water experts from South Sudan was hosted from 26 – 30 August 2013 focussing on knowledge and information sharing on water for irrigation purposes.</p> | <p>9 namely</p> <ul style="list-style-type: none">• Botswana• DRC• Namibia• Rwanda• Uganda• Ethiopia• Tanzania• Lesotho• Swaziland | <p>Eight implemented however, progress is as follows:</p> <p>1 RSA - Namibia</p> <p>Principles of co-operation for the bilateral have been finalised</p> <p>Developed Terms of Reference for the guidelines for Vioolsdrift Feasibility Study. Appointed a service provider for Vioolsdrift Feasibility Study. Conducted a feasibility Study for the Drought Relief Programme in response to the Presidential Initiative. Finalised the scope of intervention, a report was submitted in this regard</p> <p>2 RSA-Rwanda</p> <p>Hosted a Joint Committee Meeting 29 - 30 September 2014. At this meeting, both parties agreed to renew the expired MOU bilateral agreement</p> | | | |

| Sub-programme | | Africa Cooperation | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
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| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | |
| | | (vi) RSA- South Sudan; A delegation of 15 water experts from South Sudan was hosted from 26 – 30 August 2013 focussing on knowledge and information sharing on water for irrigation purposes. (vii) RSA – Swaziland The scheduled joint water commission meetings (23 October and 27 November 2013) were convened. They focused on Restructuring of KOBWA Loans, amendment of the treaty and the Driekoppies Relocation Action Plan (RAP). (viii) RSA-Botswana The Presidential Bi-National Commission (BNC) was hosted in South Africa where the ongoing water cooperation was re-endorsed with new initiatives. (ix) RSA – Tanzania Cooperation in the water sector is ongoing | | 3 RSA-Botswana The Presidential Bi-National Commission (BNC) was hosted by the Republic of Botswana where the Cross Border Water Supply (CBWS) Agreement was signed by Sedibeng Water Board and Botswana Water Utilities Cooperation (WUC) 4 RSA-Swaziland The JWC members convened a meeting which resolved to strengthen RSA/ Swaziland partnership by providing the Kingdom of Swaziland with additional water from the Pongola Poort Dam for the purpose of economic development 5 RSA-Tanzania Both parties agreed on areas of cooperation. A draft MoU was developed 6 RSA-Ethiopia Both parties agreed on areas of cooperation. A draft MoU was developed | | |

| Sub-programme | | Africa Cooperation | | | | Comment on deviations |
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| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | | | 7 RSA-Lesotho RSA technical team met with the Lesotho delegates on 13 March 2015 where technical know-how on dam safety, infrastructure development aimed at enhancing the skills development and knowledge between the two countries 8 RSA-DRC The Katanga water refurbishment Project has been completed, a report has been submitted by the implementing agent to DWS for hand over | | |
| 63 | Number of trans-boundary water management projects implemented | 3 Trans-boundary Water Management Projects implemented (i) Orange- Senqu River Basin Commission (ORASECOM) Through the Sasol /GIZ/ Emfuleni Municipality Water Conservation Management Project, 40 local people have been trained as water conservation warriors and assistant plumbers. | <ul style="list-style-type: none">• 3 namely• ORASECOM• LIMCOM• TPTC | Three projects implemented and progress is as follows: 1 LIMCOM Finalised the LIMCOM hosting agreement and parties agreed that Mozambique will host the permanent secretariat; advertised the vacant post of the LIMCOM Executive Secretary | | |

| Africa Cooperation | | | | | |
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| Sub-programme | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 |
| PPI no | | | | | Comment on deviations |
| | | <p>(ii) Limpopo River Basin Commission (LIMCOM)</p> <p>The LIMCOM Monograph study to assess water availability in the Limpopo River Basin was completed in 18 December 2013.</p> <p>(iii) Joint Study Management Committee (JSMC)</p> <p>Flowing from the MoU signed during the previous financial year, a task team was appointed to develop terms of reference for the feasibility study (i.e. Botswana to obtain water from the Lesotho Highlands Water project).</p> | | <p>2 ORASECOM</p> <p>Adopted the Strategic Action Programme (SAP) and the National Action Plan (NAP) which gives further impetus to the joint integrated management of the water resources of the Orange Senqu River Basin</p> <p>3 TPTC</p> <p>Decision on the hosting of the TPTC Secretariat was taken and members agreed that Swaziland will be the host of the Secretariat</p> | |
| 64 | Number of strategic engagements with international and multilateral organisations in Africa | - | <p>3 namely</p> <ul style="list-style-type: none"> • SADC • NEPAD • AMCOW | <p>Three engagements and progress is as follows:</p> <p>1 SADC</p> <p>Participated in the SADC Integrated Water Resource Management Pilot Project Meeting in Botswana to finalise a Local Water Development and Management plan for the Limpopo pilot project. DWS participated in the River Basins Organisations Workshop</p> | |

| Sub-programme | | Africa Cooperation | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|---------------|-----------------------|------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | |
| | | | | 2 NEPAD Had an introductory meeting with the NEPAD Water Centres of Excellence Secretariat to discuss and explore possible collaboration with the Department 3 AMCOW Participated in the Technical Advisory Committee Meeting as well as the 9th General Assembly meeting in Senegal | | |

| Sub-programme | | Global Cooperation | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|---------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | | |
| 65a | Number of new strategic partnerships established with countries outside Africa (global) | 2 new partnerships established outside Africa as follows (i) RSA-Cuba The agreement was signed on 09 September 2013 (ii) RSA-Netherlands The agreement was signed on 21 November 2013 | 4 <ul style="list-style-type: none">• Korea• Iran• Mexico• Spain | Four partnerships 1 RSA-Spain Both parties agreed on possible areas of cooperation for inclusion in the proposed MoU to be finalised in 2015 2 .RSA-Mexico Both parties agreed on areas of cooperation and the exchanged draft MoU which is in the process of being vetted by the legal departments of both countries for finalisation in 2015/16 3 RSA-Iran Both parties agreed on the areas of cooperation and to enter into a MoU. A draft MoU was circulated for inputs by both parties and finalization | - | - | |

| Sub-programme | | Global Cooperation | | | |
|---------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 |
| | | | | 4 RSA- Korea Both parties agreed and finalised the areas of cooperation. A Memorandum of Understanding in the field of water between South Africa and Korea was agreed to and currently undergoing legal processing for finalization in 2015/16 | |
| 65b | Number of existing strategic partnerships implemented with countries outside Africa (global) | 5 existing partnerships implemented with countries outside Africa as follows (i) RSA – Japan One (1) Ministerial and three (3) technical engagements were convened (ii) RSA – China A Bi - National Commission (BNC) was held on 28 - 29 October 2013 and a commission meeting held including the training of two (2) DWA officials on artificial recharge in China. (iii) RSA – Vietnam A joint meeting was held in August 2013 that agreed on a new focus area (WC/DW) for implementation. | 6 namely • Japan • Cuba • China • Vietnam • Netherlands • Russia | Over by 1 1 RSA-Netherlands Joint Water Resource Steering Committee (JWRSC) was established in giving effect to the signed agreement. Action Plan for the implementation of JWRSC was developed and agreed upon. First steering committee meeting held in Netherlands in November 2014 | 1 over achievement by Denmark Denmark was added after the priorities were shifted to be in line with the current strategic objectives |

| PPI no | Sub-programme Performance indicator | Global Cooperation | | | | Comment on deviations |
|--------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>(iv) RSA-Russia A formal communication on SA's decision on a hydrological model (ECOMAG) and a proposal to review RSA-Russia agreement was submitted to the Russians.</p> <p>(v) RSA – Netherlands The development phase of the DWA – ORIO agreements on Ethekewini, Elundini and Ungungundlovu were implemented and finalised.</p> | | <p>2 RSA-Cuba Release agreement signed with a view to release 35 Cuban Water Specialists for a period of 2 years. Work permits for the 35 Cubans successfully granted including working visas. All Human Resources Processes including benefits were completed and implemented for the absorption of Cubans into the DWS system. All Cuban Water Experts were successfully placed in all the regions</p> <p>3 RSA - Japan A workshop on Disaster Management was successfully hosted in RSA on 25 - 29 August 2014 as per the implementation plan of the RSA- Japan Joint Resolution</p> <p>4 RSA-Russia Both parties worked on new areas of collaboration for consideration by the Department. Both parties developed initial working document in line with the BRICS partnership at the ITEC meeting led by DIRCO</p> | | |

| PPI no | Sub-programme Performance indicator | Global Cooperation | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|-----------|----------------------------------------|------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | | |
| | | | | <p>5 RSA-Denmark</p> <p>Both parties exchanged areas of collaboration and submitted the first draft for consideration and endorsement by the Department. Mandate on the collaboration granted by both ministers</p> <p>6 RSA-Vietnam</p> <p>The engagement was re-scheduled with a view to revisit areas of cooperation in line with the new DWS priorities and mandate. In line with the new mandate and priorities Korea and Iran were prioritised</p> <p>7 RSA-China</p> <p>New areas of cooperation for renegotiation of the MoU were finalised and approved by the Minister. The DWS's visit to China was postponed from March to April 2015</p> | | | |

| Sub-programme | | Global Cooperation | | | | |
|---------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 65c | Number of strategic engagements with international and multilateral organisations outside Africa (global) | <p>10 strategic engagements with international organisations as follows:</p> <p>(i) UNFCCC</p> <p>The Department participated and contributed in subsidiary bodies on scientific and technological advice and innovation on 3 – 14 June 2013 in Bonn, Germany as well as the COP 19 in Warsaw.</p> <p>(ii) WEF</p> <p>The Department participated and contributed during the World Economic Forum in Davos, 21-26 January 2014</p> <p>(iii) Stockholm World Water Week (SWWW)</p> <p>The Department coordinated the South African Water sector participation at the SWWW through inter alia thematic presentations, exhibitions, junior water prize.</p> <p>(iv) World Water Day</p> <p>The Department participated and contributed through presentations and panel discussions at the WWD on 20 – 21 March 2014 in Tokyo.</p> | <p>10 namely</p> <ul style="list-style-type: none">• WWC• SIWI• UNESCO• EU• UNFCCC• UNFCCC• BRICS• UNGA• WEF• WWD | <p>Seven engagements however progress is as follows:</p> <p>1. UNFCCC</p> <p>The Water position has been submitted to DIRCO and DEA as well as progressive input from zero draft to the final and current text draft</p> <p>2. UNFCCC</p> <p>DWS successfully contributed to the SA climate change position and participated in the negotiations of the Subsidiary Bodies held in Bonn 2- 15 June 2014. DWS Officials participated at the COP20 and CMP10 in Lima, Peru on 1-12 December 2014</p> | | |

| PPI no | Sub-programme Performance indicator | Global Cooperation | | | |
|--------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 |
| | | <p>(v) UNCSO /Post 2015</p> <p>The Department participated and contributed in the Post 2015 process through four UN Open Working Group meetings in Geneva, New York, Hungary and Korea which resulted in the development of the Water Sector Position for inclusion in the National position. Also contributed to the Africa agenda in support of three (3) cluster teams namely, Environmental Sustainability, Economic Development and People to People. The latter was held at UN headquarters in March 2014.</p> <p>(vi) Stockholm International Water Institute (SIWI)</p> <p>The Department negotiated the renewal of the Stockholm Junior Water Prize agreement.</p> <p>(vii) UNESCO</p> <p>The Department participated at the UNESCO Strategic and High Level meeting on Water Security and Cooperation in Nairobi, Kenya, from 11-13 September 2013</p> | | <p>3 Stockholm World Water Week and SIWI</p> <p>DWS successfully coordinated the participation of the SA water sector at the 2014 Stockholm World Water Week on 31 August - 5 September 2014. The Minister successfully led the delegation and delivered SA perspectives at different sessions at the Stockholm Water Week. DWS successfully participated at the SA-Sweden official meeting in February 2015</p> <p>4 UNGA: DWS</p> <p>Contributed to the final version of Zero draft of the SDGs through DIRCO and DEA at the 68th session. SA indicated it shall form the basis of the forthcoming intergovernmental negotiations to be held in June 2015 at the UN and of the 70th session of UNGA</p> | |

| PPI no | Sub-programme Performance indicator | Global Cooperation | | | | Comment on deviations |
|--------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | <p>(viii) World Water Forum 7 The Department participated at the Budapest Water Summit in Hungary, 11-13 October 2013</p> <p>(ix) AMCOW South Africa participated in the 11th AMCOW EXCO and TAC meetings from 3-6 June 2013 in Egypt where a 2013 AMCOW country progress report and 10 African mechanisms for monitoring and evaluation for reporting to the AU summit were adopted</p> <p>(x) SADC South Africa participated in the SADC regional water supply and sanitation programme that was scheduled from 24 to 28 March 2014 in Livingstone, Zambia.</p> | | <p>5 WWC Successful participation of SA delegation led by Minister to the 7th WWF wherein Ministerial Declaration was endorsed, with SA represented by Government, the water sector entities and organizations ,parliamentarians ,researchers and academics in the sector</p> <ul style="list-style-type: none"> The SA delegation presented and participated in most of the Themes and Side-events Minister's presence was lauded by African national states as she was able to present Africa's stance at the high level roundtables and as a panellist in many sessions. SA entered into working collaborations with World Water Council (WWC), UN-Water, Women for Water Partnership (WWP) and UN Secretary General Advisory Board (UNSGAB) on support for the SDG process | | |

| PPI no | Sub-programme Performance indicator | Global Cooperation | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|-----------|----------------------------------------|------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------|-----------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | | |
| | | | | <p>6 UNESCO</p> <p>The Agreement is with the Chief State Law Adviser for a legal opinion on the engagement and partnership areas</p> <p>7 WEF</p> <p>Minister successfully led the DWS participation at the annual World Economic Forum in Davos from 21-24 January 2015. Minister engaged with the World leaders and organizations on Water issues and engaged on a working relationship with Water Resource Group (WRG) and World Economic Forum (WEF) on Water and development using PPP platforms that include Strategic Water Partnership Network (SWPN)</p> | | | |

| Sub-programme | | Global Cooperation | | | | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
|---------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------------------------------------------------------------------|-----------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | | | |
| 66 | Number of countries targeted to provide official development assistance (global) | <p>8 projects receiving ODA</p> <p>i) Two Departmental officials received support from JICA to attend a training on water supply management in Japan to the value of R100 000.</p> <p>ii) 19 municipal officials led by a departmental official received training funded by Japan to the value R1.2 million.</p> <p>iii) The DWA-ORIO uMgungundlovu agreement has been signed to the value of R5.5 million.</p> <p>iv) Modimolle municipality received training on sewage technology and urban drainage in Japan to the value of R120 000.</p> <p>v) The ORIO – EThekweni agreement has been signed to the value of R150 million.</p> <p>vi) The departmental North West province officials received funding to attend a training on water distribution and service in Japan to the value of R120 000</p> | <p>4 namely</p> <ul style="list-style-type: none">• Japan• Netherlands• Australia• Germany | <p>Four countries targeted</p> <p>1 Netherlands</p> <p>DWS hosted the Netherlands Facility for Infrastructure Development (ORIO) resulting in two projects (Umgungundlovu & Elundini) receiving funding for implementation Phase. An agreement between the DWS and Netherlands was signed regarding the Dutch support for the uMgungundlovu project to the value of R63 Million</p> <p>2 Japan</p> <p>Two provinces KZN and NW received training support from Japan International Cooperation Agency (JICA) on areas of industrial and sewerage water. A team of 20 officials from DWS and the Municipalities received support from the Government of Japan and attended training on Drinking water supply in Japan 15 to 29 November 2014. The support on the training is valued at R1.6 Million</p> | - | - | |

| Sub-programme | | Global Cooperation | | | |
|---------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 |
| | | <p>vii) The departmental Free State province received support from JICA to attend a training programme on water quality and purification to the value of R120 000.</p> <p>viii) Approval has been granted for the DWA-ORIO Elundini project for the implementation phase to the value of approximately R100 million.</p> | | <p>3 Australia</p> <p>The Australian Government through the Monash University (MU) provided support to the DWS youth summit held from 29 June 05 July 2014 to the value of R70000 for engagements on technical assistance provided by the Monash University</p> <p>4 Germany</p> <p>The German Government has provided funding to the Middle Olifants South Africa Project to the value of 4 Million Euros. Due to the nature and area of the engagement and collaboration, that it is a research project, DWS has recommended WRC to run the project on behalf of the department with the department coordinating and facilitating the process at a diplomatic level</p> | |



5 PERFORMANCE INFORMATION OF WATER TRADING ENTITY PROGRAMMES

5.1 Programme 1: Administration

5.1.1 Programme purpose

The purpose of the programme is to provide policy leadership, advice and core support services, including finance, human resources, legal, information and management services, communication and corporate planning.

Sub-programmes

Financial Management ensures the efficient management of daily financial operations, processes and systems.

5.1.3 Strategic objectives

| No | Programme Name | Administration | | | | | Comment on deviations |
|-----|------------------------------------------------------|------------------------------|--------------------------|----------------------------------------------------------|-------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| 1.2 | Effective and efficient internal control environment | 71% | 100% | 89.30% reduction in irregular expenditure | Under by 10.70% | | The deviation is due to noncompliance with procurement regulations regarding quotations by the Provincial/ Cluster and Construction Sites. |
| | | 100% | 98% | 100% of actual billing versus planned billing | 2% over achieved | | Improvement is due to the data cleansing project undertaken during the year |
| | | 11% reduction | 40% | -38% reduction in outstanding debt over 60 days | 78% below target | | The non-payment by both water boards and municipalities resulted in the increase in the number of debtor days. Water boards also raised the issue of Municipalities defaulting in payments to Water boards. In addition, municipalities are not honouring intergovernmental relations framework. Non-existence of a CRM unit to timeously resolve customer queries |
| | | R1.63 billion ¹ | 98% | 88% spent on refurbishment and betterment against budget | Under by 10% | | Under spending due to the slow implementation of the maintenance plan |
| | | - | 60 days | Number of debtors days 288 days | 228 days | | The non-payment by both water boards and municipalities resulted in the increase in the number of debtor days. Water boards also raised the issue of Municipalities defaulting in payments to Water boards. In addition, municipalities are not honouring intergovernmental relations framework. Non-existence of a CRM unit to timeously resolve customer queries |

5.1.4 Performance indicators

| PPI no | Sub-programme | | Financial Management | | | | |
|--------|-----------------------------------------------------------------|------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations | |
| 67 | Percentage reduction in irregular expenditure | 71% | 100% | 89.30% | Under by 10.70% | The deviation is due to non-compliance with procurement regulations regarding quotations by the Provincial/ Cluster and Construction Sites. | |
| 68 | Percentage of actual billing versus planned billing | 100% | 98% | 100% | 2% over achieved | Improvement is due to the data cleansing project undertaken during the year | |
| 69 | Percentage of reduction in outstanding debt over 60 days | 11% | 40% | -38% | 78% below target | The non-payment by both water boards and municipalities resulted in the increase in the number of debtor days. Water boards also raised the issue of Municipalities defaulting in payments to Water boards. In addition, municipalities are not honouring intergovernmental relations framework. Non-existence of a CRM unit to timeously resolve customer queries | |
| 70 | Percentage spent on refurbishment and betterment against budget | R1.63 billion ² | 98% | 88% | Under by 10% | Under spending due to the slow implementation of the maintenance plan | |
| 71 | Number of debtors days | - | 60 days | 288 days | 228 days | The non-payment by both water boards and municipalities resulted in the increase in the number of debtor days. Water boards also raised the issue of Municipalities defaulting in payments to Water boards. In addition, municipalities are not honouring intergovernmental relations framework. Non-existence of a CRM unit to timeously resolve customer queries | |

5.1.5 Strategy to overcome areas of under performance

To mitigate the under achievement in the reduction of the irregular expenditure, the department will reduce the number of items procured through quotations by implementing the term contracts or participate in National Treasury transversal contracts. To improve on debt management, the department will establish the customer relations management (CRM) unit to deal with customer queries.

5.1.6 Changes to planned targets

There were no changes made to the annual targets during the period under review

5.2 Programme 3: Water Infrastructure Management**5.2.1 Programme purpose**

The purpose of the programme is to ensure a reliable supply of water from bulk raw water resources infrastructure to meet sustainable demand objectives for South Africa within acceptable risk parameters. Solicit and source funding to implement, operate and maintain bulk raw water resources infrastructure in an efficient and effective manner by strategically managing risks and assets.

5.2.2 Sub-programmes

Infrastructure Development and Rehabilitation provides for the design, construction and commissioning of new water resource infrastructure; and the rehabilitation of existing infrastructure to ensure the safety and functionality of departmental dams and related infrastructure.

Operations of Water Resources funds expenditure on water resources management activities conducted by the departments or catchment management agencies within water management areas.

5.2.3 Strategic objectives

| Programme Name | | Water Infrastructure Management | | | | |
|----------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| 1.3 | Implement programmes that create job opportunities | Cumulative total of 10 486 Job opportunities created through augmentation project 256 of job opportunities created through the Dam Safety Rehabilitation Programme | 4400 | A cumulative total of 7443 | Over by 3 043 | The labour intensive methods used in implementing certain construction projects resulted in the increased number of job opportunities. |
| | | | 315 | 149 | Under by 166 | Delays in three of the Dam Safety Rehabilitation projects were due to outstanding environmental authorisations, contractual challenges and supply of material which prevented the creation of job opportunities as per set targets. |
| 2.1 | Ensure the availability of / access to water supply for environmental and socio-economic use | 99% completion Impoundment commenced and dam inaugurated by the President in March 2014. | 100% (commissioning) on project plan of Olifants River water resources development project phase 2A (De Hoop Dam and related infrastructure) | 100% completion Project completed (Only small contractor team remaining on site for final rehabilitation work and snag list completion.) | - | - |
| | | Phases 2B: the tender documents are complete. | 5% (project preparation) on project plan of Olifants River water resources development project phase 2B | 0% completion | Under by 5% | The delay is as a result of the funding model not being finalised. |
| | | Phase 2C: 50% complete (The first 10 km to deliver water to De Hoop Water Treatment Works serving Jane Furse / Nebo Plateau was completed in Jan 2014. A total 20km out of the 40km pipeline was laid by end Mar 2014) | 80% (construction) on project plan of Olifants River water resources development project phase 2C | 81% completion A total of 38.98 km of the 40 km Phase 2C pipeline has been laid to date The pump station is 80% complete | Over by 1% | There is commitment to complete the project in accordance with the latest approved contractual programme. |

| Programme Name | | Water Infrastructure Management | | | | |
|----------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| | | Phases 2D: the tender documents are complete. | 5% (project preparation) on project plan of Olifants River water resources development project phase 2D | 0% completion | Under by 5% | The delay is as a result of the funding model not being finalised. |
| | | 55% Intermediate milestone of debottlenecking (increasing operational efficiency) the existing pipeline at km 6.6 was achieved on 19 May 2013 and at km 10.3 was achieved on 29 October 2013. Water supply has been increased by 37% and 57% due to the debottlenecking at km 6.6 and km 10.3 respectively. Debottlenecking provides sufficient capacity to enable Eskom to commission four of its Medupi Units and meet the forecasted high water demand scenarios until December 2015. 26.6 km of the 43 km pipeline laid (March 2014). | 80% (construction) on project plan of phase 1 of Mokolo River augmentation | 82% completion The entire 43km pipeline has been laid with up 33 km of the pipeline has been pressure tested. The functional commissioning of the pump station has been achieved. | Over by 2% | Improvements in installation and commissioning of the Mechanical and Electrical works, rate of pipe laying and testing |

| Programme Name | | Water Infrastructure Management | | | | |
|----------------|----------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | Comment on deviations |
| | | - | 5% (design) on project plan of phase 2A of Mokolo River augmentation | 1% completion The EIA process has started | Under by 4% | Feedback on the request for an explicit government guarantee allowing the TCTA to approach financial markets for loan funding was received on 31 March 2015. |
| | | 54% completion (1) Tender for civil works was re-advertised. (2) Valuation of affected properties in progress. | 13% (construction) on project plan of Mloti River Development (Raising of Hazelmere Dam) | 5% completion Designs under revision Study on the stability of the dam wall Valuated 50% of affected properties | Under by 8% | The design could not be finalised as a result of the delay in the appointment of the contractor. In addition, the valuation of the affected 50% remaining properties is pending; awaiting the outcome of the dispute between the Department and Valuator. |
| | | 20% completion The contractor for the N7 re-alignment has started. The dam designs drawings are complete | 7% (construction) on project plan of raising Clanwilliam Dam wall | 4% completion Site establishment activities have commenced Realignment of the road is at 57% completion | Under by 3% | The approval of the environmental management programme took longer as a result of complex issues that emerged during the approval process |
| | | 10% Design work continues, Environmental Management Plans (EMP) have been drafted | 15% (design) on project plan of Greater Letaba River Water Resources Project (Nwamitwa Dam) | 12% completion Approved Environmental Management Plans. Tender documentation for the engineering geological investigation compiled Lepelle Northern Water appointed as implementation agent | Under by 3% | The Implementing Agent directed its resources to higher priority projects such as the Water and Sanitation Revitalisation Programme in the Mopani District Municipality |

| Programme Name | | Water Infrastructure Management | | | | Comment on deviations |
|----------------|----------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No | Strategic objectives | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | 16% completion | 10% (design) on project plan of Greater Letaba River Water Resources Project: (Raising of Tzaneen Dam) | 1% completion Draft preliminary designs for the raising of Tzaneen Dam completed | Under by 9% | The preliminary design could not be finalised as a result of the delay in the appointment of the Approved Professional Person (APP) and a professional team. |
| | | - | 35% (design/ construction) | 27% completion Improvement and new works 91% complete Clear water tank 25% complete Pump house 3% complete Babanana pipeline 3% complete | Under by 8% | The proposal to increase the size of the pipe from 300mm to 600mm triggered a listed activity requiring both an environmental authorisation and EMP. |
| | | 35 total cumulative dam safety rehabilitation projects completed since the programme started in 2005 | 39 | Cumulative total of 38 dam safety rehabilitation projects completed since the programme started in 2005 with the following completed during 2014/15 financial year Stompdrift Dam Mnyameni Dam S1 balancing Dam | Under by 1 | Although the Cata Dam civil works have been completed, there is a contractual dispute on mechanical works and therefore a commissioning certificate cannot be issued. |
| | | 90% adherence to the demand as per Bulk Water Supply Agreements | 100% | 75% adherence to the demand as per Bulk Water Supply Agreements | Under by 25% | Rainfall patterns influenced the demand for bulk raw water supply |

| No | Programme Name Strategic objectives | Water Infrastructure Management | | | | Comment on deviations |
|----|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | 22 sections of canals completed namely: Ncora: 1 section completed Lindleyspoort: 7 sections completed Vlakfontein Canal: 5 sections completed Lakeside canal: 3 sections completed Qamata: 1 section completed Nzhelele: 3 sections completed Boskop RB canal: 2 sections completed - | 12 sections per annum | 12 sections completed namely: Lindleyspoort: 6 sections completed Vlakfontein Canal: 5 sections completed Potcheitsroom Canal: 1 section completed | - | - |
| | | - | 100% metering of domestic and industrial users | 93% metering of domestic and industrial users (i.e. 455 of 489 users) | Under by 7% | The manufacturer could not supply the required number of meters |
| | | - | 50% metering of agricultural users | 1% metering of agricultural users (i.e. 103 of 20 395 users) | Under by 49% | The manufacturer could not supply the required number of meters. |

5.2.4 Performance indicators

| PPI no | Sub-programme Performance indicator | Infrastructure Development and Rehabilitation | | | | Comment on deviations |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 72 | Annual average number of job opportunities created through augmentation projects | Cumulative total 10 486 | 4400 | A cumulative total of 7443 | Over by 3 043 | The labour intensive methods used in implementing certain construction projects resulted in the increased number of job opportunities. |
| 74a | Percentage completion on project plan of Olifants River water resources development project phase 2A (De Hoop Dam and related infrastructure) | 99% completion Impoundment commenced and dam inaugurated by the President in March 2014. | 100% (commissioning) | 100% completion Project completed (Only small contractor team remaining on site for final rehabilitation work and snag list completion.) | - | - |
| 74b | Percentage completion on project plan of Olifants River water resources development project phase 2B | Phases 2B: the tender documents are complete. | 5% (project preparation) | 0% completion | Under by 5% | The delay is as a result of the funding model not being finalised. |
| 74c | Percentage completion on project plan of Olifants River water resources development project phase 2C | Phase 2C: 50% complete (The first 10 km to deliver water to De Hoop Water Treatment Works serving Jane Furse / Nebo Plateau was completed in Jan 2014. A total 20km out of the 40km pipeline was laid by end Mar 2014) | 80% (construction) | 81% completion A total of 38.98 km of the 40 km Phase 2C pipeline has been laid to date The pump station is 80% complete | Over by 1% | There is commitment to complete the project in accordance with the latest approved contractual programme. |
| 74d | Percentage completion on project plan of Olifants River water resources development project phase 2D | Phases 2D: the tender documents are complete. | 5% (project preparation) | 0% completion | Under by 5% | The delay is as a result of the funding model not being finalised. |

| PPI no | Sub-programme Performance indicator | Infrastructure Development and Rehabilitation | | | | Comment on deviations |
|--------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 75a | Percentage completion on project plan of phase 1 of Mokolo River augmentation | 55% Intermediate milestone of debottlenecking (increasing operational efficiency) the existing pipeline at km 6,6 was achieved on 19 May 2013 and at km 10,3 was achieved on 29 October 2013. Water supply has been increased by 37% and 57% due to the debottlenecking at km 6,6 and km 10,3 respectively. Debottlenecking provides sufficient capacity to enable Eskom to commission four of its Medupi Units and meet the forecasted high water demand scenarios until December 2015. 26.6 km of the 43 km pipeline laid (March 2014). | 80% (construction) | 82% completion The entire 43km pipeline has been laid with up 33 km of the pipeline has been pressure tested. The functional commissioning of the pump station has been achieved. | Over by 2% | Improvements in installation and commissioning of the Mechanical and Electrical works, rate of pipe laying and testing |

| PPI no | Sub-programme Performance indicator | Infrastructure Development and Rehabilitation | | | | Comment on deviations |
|--------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 75b | Percentage completion on project plan of phase 2A of Mokolo River augmentation | - | 5% (design) | 1% completion The EIA process has started | Under by 4% | Feedback on the request for an explicit government guarantee allowing the TCTA to approach financial markets for loan funding was received on 31 March 2015. |
| 76 | Percentage completion on project plan of Mloti River Development (Raising of Hazelmere Dam) | 54% completion (1) Tender for civil works was re-advertised. (2) Valuation of affected properties in progress. | 13% (construction) | 5% completion Designs under revision Study on the stability of the dam wall Valuated 50% of affected properties | Under by 8% | The design could not be finalised as a result of the delay in the appointment of the contractor. In addition, the valuation of the affected 50% remaining properties is pending; awaiting the outcome of the dispute between the Department and Valuator. |
| 77 | Percentage completion on project plan of raising Clanwilliam Dam wall | 20% completion The contractor for the N7 re-alignment has started. The dam designs drawings are complete | 7% (construction) | 4% completion Site establishment activities have commenced Realignment of the road is at 57% completion | Under by 3% | The approval of the environmental management programme took longer as a result of complex issues that emerged during the approval process |
| 78 | Percentage completion on project plan of Greater Letaba River Water Resources Project (Nwamitwa Dam) | 10% Design work continues, Environmental Management Plans (EMPF) have been drafted | 15% (design) | 12% completion Approved Environmental Management Plans. Tender documentation for the engineering geological investigation compiled Lepelle Northern Water appointed as implementation agent | Under by 3% | The Implementing Agent directed its resources to higher priority projects such as the Water and Sanitation Revitalisation Programme in the Mopani District Municipality |

| PPI no | Sub-programme Performance indicator | Infrastructure Development and Rehabilitation | | | | Comment on deviations |
|--------|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 79a | Percentage completion on project plan of Greater Letaba River Water Resources Project: (Raising of Tzaneen Dam) | 16% completion | 10% (design) | 1% completion Draft preliminary designs for the raising of Tzaneen Dam completed | Under by 9% | The preliminary design could not be finalised as a result of the delay in the appointment of the Approved Professional Person (APP) and a professional team. |
| 79b | Percentage completion on project plan of Greater Letaba River Water Resources Project Distribution | - | 35% (design/ construction) | 27% completion Improvement and new works 91% complete Clear water tank 25% complete Pump house 3% complete Babanana pipeline 3% complete | Under by 8% | The proposal to increase the size of the pipe from 300mm to 600mm triggered a listed activity requiring both an environmental authorisation and EMP. |

| Sub-programme | | Operations of Water Resources | | | | Comment on deviations |
|---------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PPI no | Performance Indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 73 | Number of job opportunities created through the Dam Safety Rehabilitation Programme | 256 of job opportunities created through the Dam Safety Rehabilitation Programme | 315 | 149 | Under by 166 | Delays in three of the Dam Safety Rehabilitation projects were due to outstanding environmental authorisations, contractual challenges and supply of material which prevented the creation of job opportunities as per set targets. |
| 80 | Total number of dam safety rehabilitation projects completed per year to meet dam safety regulations | 35 total cumulative dam safety rehabilitation projects completed since the programme started in 2005 | 39 | Cumulative total of 38 dam safety rehabilitation projects completed since the programme started in 2005 with the following completed during 2014/15 financial year Stompdrift Dam Mnyameni Dam S1 balancing Dam | Under by 1 | Although the Cata Dam civil works have been completed, there is a contractual dispute on mechanical works and therefore a commissioning certificate cannot be issued. |
| 81 | Percentage adherence to the demand as per bulk water supply agreements to ensure sustainable bulk water supply | 90% adherence to the demand as per Bulk Water Supply Agreements | 100% | 75% | Under by 25% | Rainfall patterns influenced the demand for bulk raw water supply |
| 82 | Total number of water conveyance projects (i.e. sections) rehabilitated | 22 sections of canals completed namely: Ncora: 1 section completed Lindleyspoort: 7 sections completed | 12 sections per annum | 12 sections completed namely: Lindleyspoort: 6 sections completed Vlakfontein Canal: 5 sections completed Potchefstroom Canal: 1 section completed | - | - |

| Sub-programme | | Operations of Water Resources | | | | Comment on deviations |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------|
| PPI no | Performance indicator | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| | | Vlakfontein Canal: 5 sections completed Lakeside canal: 3 sections completed Qamata: 1 section completed Nzhelele: 3 sections completed Boskop RB canal: 2 sections completed | | | | |
| 83a | Percentage implementation of strategic metering of water use volumes for the domestic and industrial users in line with entitlements | - | 100% metering of domestic and industrial users | 93% metering of domestic and industrial users (i.e. 455 of 489 users) | Under by 7% | The manufacturer could not supply the required number of meters |
| 83b | Percentage implementation of strategic metering of water use volumes for agricultural users in line with entitlements | - | 50% metering of agricultural users | 1% metering of agricultural users (i.e. 103 of 20 395 users) | Under by 49% | The manufacturer could not supply the required number of meters |

5.2.5 Strategy to overcome areas of under performance

An acceleration plan to finalise the areas of underperformance within the programme has been developed for the 2015/16 financial year.

5.2.6 Changes to planned targets

A reduction was made to the annual milestone for programme performance indicator (PPI no 73) as the design changed to a piano key method which led to the re-advertisement of the project bid. Also, the annual milestone for PPI no 74 (i.e. raising of Clanwilliam Dam wall) was revised as the project had to relate to specific physical construction activities. A further reduction was made to PPI no 76a (i.e. Raising of Tzaneen Dam) as the feasibility study was inconclusive with regards to the dam infrastructure. Five dam safety rehabilitation projects (i.e. Driel Barrage, Nkadameng Dam, Roodekoppies Dam, Dimbaza Dam and Vaalkop II Dam) were deferred as construction had to be halted. The reasons included a threat of triggering an environmental listed activity on the river channel as well as delays in obtaining a construction licence, procurement of rockfill material and finalization of the design by the engineering team.

| Old PPI and targets as tabled in the 2014/15 APP | | | Revised PPIs and targets as post adjustment | | |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------|
| PPI no | Programme performance indicator | Annual target | PPI no | Programme performance indicator | Annual target |
| 73 | Percentage completion on project plan of Mloli River Development (Raising of Hazelmere Dam) | 75% completion (Construction) | 76 | Percentage completion on project plan of Mloli River Development (Raising of Hazelmere Dam) | 13% completion (Construction) |
| 74 | Percentage completion on project plan of raising Clanwilliam Dam wall | 58% completion (Construction) | 77 | Percentage completion on project plan of raising Clanwilliam Dam wall | 7% completion (Construction) |
| 76a | Percentage completion on project plan of Greater Letaba River Water Resources Project: (Raising of Tzaneen Dam) | 35% completion (Design) | 79a | Percentage completion on project plan of Greater Letaba River Water Resources Project: (Raising of Tzaneen Dam) | 10% completion (Design) |
| 77 | Total number of dam safety rehabilitation projects completed per year to meet dam safety regulations | 44 | 80 | Total number of dam safety rehabilitation projects completed per year to meet dam safety regulations | 39 |

5.2.7 Linking performance with budgets

| Sub- Programme Name | 2014/2015 | | | 2013/2014 | | |
|---------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Water Infrastructure Management | 2 570 909 | 2 570 909 | 0 | 2 565 203 | 2 558 847 | 6 356 |

5.3 Programme 4: Regional Implementation and Support

5.3.1 Programme purpose

The purpose of the programme is to coordinate the effective implementation of the department's strategic goal and objectives at the regional level, including the establishment of water resource management institutions. Facilitate water conservation and demand management. Accelerate communities' access to water infrastructure.

5.3.2 Sub-programmes

Integrated Catchment Management provides for the protection, development, use and management of resources at the water management area level.



5.3.3 Strategic objectives

| No | Programme Name Strategic objectives | Regional Implementation and Support | | | | Comment on deviations |
|-----|---------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | |
| 2.4 | Improve water use efficiency | - | 11 510 water users | 4417 water users validated and verified within water management areas | Under by 7093 | Although letters were sent to users to apply for the verification, inadequate and slow responses were received from users |
| 4.2 | Improve the protection of water resources and ensure their sustainability | 786 | 786 of waste discharge points monitored | 780 waste discharge points monitored | Under by 84 | The delay in finalising the National laboratory contracts owing to non-accreditation of certain laboratories for certain tests |
| | | 191 | 100% | 47% inspections conducted in mines with reported incidents (i.e. 48 of 103) | Under by 53% | The Mpumalanga, North West and Northern Cape provincial offices could not inspect all their reported incidents as there had been staff shortages for pollution inspections |

5.3.4 Performance indicators

| PPI no | Sub-programme | Integrated Catchment Management | | | | | Comment on deviations |
|--------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------|-------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Actual achievement 2013/2014 | Planned target 2014/2015 | Actual achievement 2014/2015 | Deviation from planned target to actual achievement for 2014/2015 | | |
| 84 | Number of water users validated and verified within water management areas ³ | - | 11 510 water users | 4417 water users | Under by 7093 | | Although letters were sent to users to apply for the verification, inadequate and slow responses were received from users |
| 85a | Number of waste discharge points monitored to assess water resource quality | 786 of waste discharge points monitored | 864 waste discharge points | 780 waste discharge points monitored | Under by 84 | | The delay in finalising the National laboratory contracts owing to non-accreditation of certain laboratories for certain tests |
| 85b | Percentage of inspections conducted in mines with reported incidents | 191 ⁴ of mines where pollution inspection is conducted to assess water resource quality | 100% | 47% inspections (i.e. 48 of 103) | Under by 53% | | The Mpumalanga, North West and Northern Cape provincial offices could not inspect all their reported incidents as there had been staff shortages for pollution inspections |

5.3.5 Strategy to overcome areas of under performance

As the validation and verification within water management areas was the main contributor to the programme's under achievement, an acceleration plan has been developed for the 2015/16 financial year.

5.3.6 Changes to planned targets

There were no changes made to the annual targets during the period under review.

6 TRANSFER PAYMENTS

6.1 Transfer payments to public entities

| Name of Public Entity | Services rendered by the public entity | Amount transferred to the public entity | Amount spent by the public entity |
|-----------------------|----------------------------------------|-----------------------------------------|-----------------------------------|
| Amatola Water Board | Water Infrastructure development | 150 000 | 48 100 |
| Magalies Water Board | Water Infrastructure development | 69 665 | 69 665 |
| Sedibeng Water Board | Water Infrastructure development | 143 453 | 143 453 |
| Umgeni Water Board | Water Infrastructure development | 216 801 | 216 801 |

6.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|--------------------|----------------------|-----------------------------------------------------------------------------------|----------------------------------------------------|----------------------------|----------------------------|--------------------------------------------------|
| WSOS | Municipalities | Refurbishment and operation and maintenance | Yes | 449 558 | 222 612 | Programme is still on going until end June 2015 |
| MWIG | Municipalities | Upgrading of infrastructure | Yes | 535 608 | 170 779 | Programme is still on going until end June 2015 |
| RHIG | WSA | To build on site sanitation in areas where bulk dependent services are not viable | Yes | 65 624 | 22 649 | Programme is still on going until end June 2015. |

7 CONDITIONAL GRANTS

7.1 Conditional grants and earmarked funds paid

Tabulated below are each of the conditional grants and earmarked funds paid by the department.

Conditional Grant 1: Water Services Operating Subsidy Grant (Direct Grant)

| Department/ Municipality to whom the grant has been transferred | Various municipalities (List attached) |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To subsidise, refurbish and restore the functionality of water services schemes previously owned and/or operated by DWS or by other agencies on behalf of the Department |
| Expected outputs of the grant | Number of schemes refurbished |
| Actual outputs achieved | 60 schemes refurbished |
| Amount per amended DORA (R'000) | 449 558 |
| Amount transferred (R'000) | 449 558 |
| Reasons if amount as per DORA not transferred | All transferred |
| Amount spent by the department/ municipality (R'000) | 222 612 |
| Reasons for the funds unspent by the entity | The implementation and spending of WSOS is aligned to municipal financial year which is not aligned to National Financial year, So the municipalities have not yet under spend as they are still within the period to spend the allocation, which is until end of June 2015 |
| Monitoring mechanism by the transferring department | Review of monthly expenditure reports Development of annual evaluation reports Conduct scheduled and unscheduled site inspection of projects |

Conditional Grant 2: Water Services Operating Subsidy Grant (Indirect Grant)

| Department/ Municipality to whom the grant has been transferred | Various Municipalities (List attached) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service |
| Expected outputs of the grant | Number of schemes refurbished |
| Actual outputs achieved | 60 schemes refurbished |
| Amount per amended DORA | R548 126 |
| Amount transferred (R'000) | R319 385 |
| Reasons if amount as per DORA not transferred | Delays in the signing of the Service Level Agreement by municipalities affected the start of implementation resulting in the unspent funds |
| Amount spent by the department/ municipality (R'000) | R319 385 |
| Reasons for the funds unspent by the entity | Delays in the signing of the Service Level Agreement by municipalities affected the start of implementation resulting in the unspent funds at the end of national financial year |
| Monitoring mechanism by the transferring department | Review of monthly expenditure reports Development of annual evaluation reports Conduct scheduled and unscheduled site inspection of projects |

Conditional Grant 3: Municipal Water Infrastructure Grant (Direct Grant)

| Department/ Municipality to whom the grant has been transferred | Various municipalities (List attached) |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service |
| Expected outputs of the grant | Number of households provided with water supply service Number of job opportunities created |
| Actual outputs achieved | 95 173 households provided with water supply services 2 708 job opportunities created |
| Amount per amended DORA | R535 608 |
| Amount transferred (R'000) | R535 608 |
| Reasons if amount as per DORA not transferred | Not applicable as all funds were transferred |
| Amount spent by the department/ municipality (R'000) | R470 130 |
| Reasons for the funds unspent by the entity | The protracted time for appointment of contractors as well as lack of ready-made material resulted in the under spending. |
| Monitoring mechanism by the transferring department | Evaluate and approve business plans Review of monthly expenditure reports Development of annual evaluation reports Conduct scheduled and unscheduled site inspection of projects |

Conditional Grant 4: Municipal Water Infrastructure Grant (Indirect Grant)

| Department/ Municipality to whom the grant has been transferred | Various municipalities (List attached) |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service |
| Expected outputs of the grant | Number of households provided with a water supply service Number of job opportunities created |
| Actual outputs achieved | 95 173 households provided with water supply services 2 708 job opportunities created |
| Amount per amended DORA (R'000) | R548 126 |
| Amount transferred (R'000) | R319 385 |
| Reasons if amount as per DORA not transferred | Delays in the signing of the Service Level Agreement by municipalities affected the start of implementation resulting in the unspent funds at the end of national financial year |
| Amount spent by the department/ municipality (R'000) | R319 385 |
| Reasons for the funds unspent by the entity | Delays in the signing of the Service Level Agreement by municipalities affected the start of implementation resulting in the unspent funds at the end of national financial year |
| Monitoring mechanism by the transferring department | Evaluate and approve business plans Review of monthly expenditure reports Development of annual evaluation reports Conduct scheduled and unscheduled site inspection of projects |

Conditional Grant 5: Rural Household Infrastructure Grant (Direct Grant)

| Department/ Municipality to whom the grant has been transferred | Various (List attached) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To provide specific capital funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependant services are not available |
| Expected outputs of the grant | <p>Number of rural households provided with access to onsite Ventilated Improved Pit (VIP) sanitation.</p> <p>Number of rural households provided with access to onsite sanitation through alternative technologies.</p> <p>Number of Jobs Created.</p> <p>Number of households provided with user education training.</p> <p>Number of households reached by health and hygiene awareness training.</p> |
| Actual outputs achieved | 9 347 households served as at 31 March 2015 |
| Amount per amended DORA | R65 624 |
| Amount transferred (R'000) | R65 624 |
| Reasons if amount as per DORA not transferred | - |
| Amount spent by the department/ municipality (R'000) | R22 649 |
| Reasons for the funds unspent by the entity | Programme is on-going in the municipality and should come to an end by end June 2015. |
| Monitoring mechanism by the transferring department | Monthly project verification carried by Regional Sanitation Coordinators together with municipal officials; monthly reporting by municipalities to regional offices; quarterly reports submitted to National Sanitation Services |

Conditional Grant 6: Rural Household Infrastructure Grant (Indirect Grant)

| Department/ Municipality to whom the grant has been transferred | Various (List attached) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To provide specific capital funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependant services are not available |
| Expected outputs of the grant | <p>Number of rural households provided with access to onsite Ventilated Improved Pit (VIP) sanitation.</p> <p>Number of rural households provided with access to onsite sanitation through alternative technologies.</p> <p>Number of Jobs Created.</p> <p>Number of households provided with user education training.</p> <p>Number of households reached by health and hygiene awareness training.</p> |
| Actual outputs achieved | 9 347 households served as at 31 March 2015 |
| Amount per amended DORA | R 47 500 |
| Amount transferred (R'000) | 0 |
| Reasons if amount as per DORA not transferred | No implementing agents appointed |
| Amount spent by the department/ municipality (R'000) | 0 |
| Reasons for the funds unspent by the entity | No implementing agents appointed |
| Monitoring mechanism by the transferring department | Monthly project verification carried by Regional Sanitation Coordinators together with municipal officials; monthly reporting by municipalities to regional offices; quarterly reports submitted to National Sanitation Services |

Conditional Grant 7: Regional Bulk Infrastructure Grant (Indirect Grant)

| Department/ Municipality to whom the grant has been transferred | Various municipalities (List attached) |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | <p>To develop new and refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality.</p> <p>To develop new and refurbish, upgrade and replace ageing waste water infrastructure of regional significance.</p> |
| Expected outputs of the grant | <p>Number of regional bulk projects initiated</p> <p>Number of projects completed</p> <p>Number of job opportunities created</p> |
| Actual outputs achieved | <p>69 regional bulk projects were initiated</p> <p>8 projects were completed</p> <p>323 job opportunities were created</p> |
| Amount per amended DORA | 4 005 459 (this includes R18.6 million of approved rollover for 2013/14 financial year) |
| Amount transferred (R'000) | 4 005 459 |
| Reasons if amount as per DORA not transferred | <p>Late appointment of contractors by implementing agencies.</p> <p>Projects delayed by long WULA application assessment processes that took longer than anticipated.</p> <p>Political instability within the Municipality affected the appointments of services providers.</p> <p>Construction work was stopped due to community unrest during the course of the financial year.</p> |
| Amount spent by the department/ municipality (R'000) | 3 287 817 |
| Reasons for the funds unspent by the entity | The work was completed but the invoice could not process before cut off time. |
| Monitoring mechanism by the transferring department | By ensuring that benefiting WSA submits monthly projects progress reports, attending projects meetings, conduct project site visits and performance evaluation quarterly and annually |

Conditional Grant 8: Bucket Eradication Programme (Indirect Grant)

| Department/ Municipality to whom the grant has been transferred | Various (List attached) |
|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Purpose of the grant | To provide funding for the eradication of bucket sanitation |
| Expected outputs of the grant | Number of households previously using buckets provided with improved sanitation |
| Actual outputs achieved | 20 581 households served |
| Amount per amended DORA | R 899 177 |
| Amount transferred (R'000) | R281 779 |
| Reasons if amount as per DORA not transferred | Slow delivery by Implementing Agents |
| Amount spent by the department/ municipality (R'000) | Not applicable |
| Reasons for the funds unspent by the entity | Not applicable |
| Monitoring mechanism by the transferring department | Monthly project verification carried by Regional Sanitation Coordinators together with municipal officials; monthly reporting by municipalities to regional offices; quarterly reports submitted to National Sanitation Services |

7.2 Conditional grants and earmarked funds received

There were no conditional grants and earmarked funds received for the period 1 April 2014 to 31 March 2015.

8 DONOR FUNDS

There were no donor funds received for the period 1 April 2014 to 31 March 2015.

9 CAPITAL INVESTMENT

9.1 Capital investment, maintenance and asset management plan

| Infrastructure projects | 2014/2015 | | | 2013/2014 | | |
|------------------------------------------------|------------------------|-----------------------|------------------------------|------------------------|-----------------------|-----------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| New and replacement assets | 3 227 079 | 3 213 044 | 14 035 | 5 586 924 | 3 877 716 | 1 709 208 |
| Existing infrastructure assets | 501 292 | 613 480 | -112 188 | 641 616 | 579 726 | 61 890 |
| Upgrades and additions | 272 735 | 397 726 | -124 991 | 79 883 | 76 324 | 3 559 |
| Rehabilitation, renovations and refurbishments | 143 521 | 140 323 | 3 198 | 444 516 | 414 346 | 30 170 |
| Maintenance and repairs | 85 036 | 75 431 | 9 605 | 117 217 | 89 056 | 28 161 |
| Infrastructure transfer | 2 460 265 | 2 469 882 | -9 617 | 3 066 644 | 3 066 742 | -98 |
| Current | 85 036 | 75 431 | 9 605 | 117 217 | 89 056 | 28 161 |
| Capital | 6 103 600 | 6 220 975 | -117 375 | 9 177 967 | 7 435 128 | 1 742 839 |
| Total | 6 188 636 | 6 296 406 | -107 770 | 9 295 184 | 7 524 184 | 1 771 000 |

PART C

GOVERNANCE



1 INTRODUCTION

The department's commitment to maintain the highest standards of governance is fundamental to the management of its public finances and resources. In assuring the users that the department has good governance structures in place to effectively, efficiently and economically utilise the state resources which are funded by tax payers, below is the governance report for the period under review.

2 RISK MANAGEMENT

2.1 Nature of risk management

Risk management is recognised as an integral part of sound organisational management. Risk management in the department derives its mandate from the Public Finance Management Act (PFMA).

The Act in section 38 instructs the accounting officer to ensure that the department has and maintain:

- (i) Effective, efficient and transparent systems of financial and risk management and internal control.

The risk management unit reports directly to the Accounting Officer. At branch level Strategic Support Directors are appointed as risk champions and at provincial level compliance officers are appointed as risk champions. The risk champions meet quarterly at the risk champion forum.

The department has a Risk Management Committee (RMC) which is chaired by an independent person supported by two external members and all the Deputy Director Generals. The committee operates under the approved terms of reference (ToR). In the 2014/2015 financial year the RMC met three times. The risk management reports are presented to Top Management.

2.2 Risk management strategies to identify and manage risks

The Risk Management unit conducts one-on-one meetings with management from different branches to facilitate the revision of the 2013/2014 financial year risks and identify new risks. During the one-on-one meetings the following was undertaken:

- Revised the old risks
- Identified the new emerging risks
- Aligned each risk to the strategic objectives
- Identified the contributing factors for each identified risk
- Rated each risk according to the impact and the likelihood; this was done at an inherent and residual level

The completed risk register was provided to Internal Audit for the preparation of risk based annual plan.

Further one-on-one meetings were conducted throughout the year to facilitate the following:

- On-going monitoring of the implementation of the risk mitigating strategies for each prioritised risk.
- Updating of the risk register on a quarterly basis.
- Identification of newly emerging risk during the year.
- Quarterly reporting the status of risk to RMC, the DG and the Audit Committee.

2.3 Progress made in addressing risk identified

The department has a risk management plan, an important part of maintaining a successful and responsible department. Key controls and mitigating strategies/plans had been approved and implemented for both strategic and operational risks to ensure that risks are kept within the department's acceptable levels.

3 FRAUD AND CORRUPTION

The department has an approved Fraud Prevention Plan which sets down the stance of the department on fraud and corruption which reinforces existing systems, policies, procedures, rules and regulations of the department aimed at deterring, preventing, detecting, reacting to and reducing the impact of fraud and corruption. The Fraud Prevention Plan was developed after taking into account the fraud and corruption risks that were identified during the fraud and corruption risk assessments. It is an overall plan setting out how the department will endeavour to reduce fraud and corruption. It also aims to confirm that the department supports and fosters a culture of zero tolerance to fraud and corruption in all its activities. It covers aspects such as the relevant role players, special initiatives to root out fraud, highlighting red flags, setting out details of the fraud response plans and actions to be taken.

Complainants report allegations of fraud and corruption to the National Anti-Corruption Hotline (NACH), which was set up for the Public Service by the Public Service Commission (PSC) to ensure that all cases of fraud and corruption are reported centrally and re-directed to the departments for investigation. The department, after investigating the allegations, provides feedback to the Public



Service Commission on how the matter was handled.

Officials also have an option of reporting all incidents and allegations of fraud and corruption to Internal Audit to initiate an investigation and provide a written report to the Director-General and Senior Management of the department. All managers are responsible for the detection and prevention of fraud and corruption and must report all such incidents and allegations to Internal Audit.

In line with the Protected Disclosures Act, 26 of 2000, it is the department's policy that:

- An employee who reports suspected fraud and corruption may remain anonymous should he/she so desire.
- He/she will not suffer any penalty or retribution for good faith reporting of any suspected or actual incident of fraud and corruption which occurred within the department.

All allegations of fraud and corruption are being pursued through an investigation and to the fullest extent of the law, including consideration of the following:

- Taking disciplinary action within a reasonable time;
- Instituting civil action to recover losses;
- Reporting the matter to the law enforcement agencies;
- Any other legal remedy.

4 MINIMISING CONFLICT OF INTEREST

In an effort of minimising the conflict of interest within supply chain management, the members of all procurement committees (namely the departmental bid adjudication, the regional bid adjudication, the sub-bid adjudication and the evaluation committees) disclose their interests or lack thereof in every meeting attended.

If any committee member declares an interest, they are excused from the procurement process; and in instances where any member does not declare but is found to have interest, their influence is investigated and disciplinary action is taken against the said member.

In addition, every financial year, the department requires all officials to declare companies where they have interests. Also, suppliers that conduct business with the department are required to submit their declaration of relations with departmental and public service employees.

In line with the DPSA requirements, all departmental senior management service is required to submit financial disclosure forms to the DPSA. In addition to the financial disclosures required from the department's senior management service (SMS), financial declarations for all non-SMS officials are submitted to the Demand Management unit.

The department of Trade and Industry (dti) has given the department access to Companies and Intellectual Property Commission (CIPC) site to verify company members of the successful bidder if the BBBEE points claimed are correct.

5 CODE OF CONDUCT

The department has a supply chain management code of conduct that is signed by SCM official, the departmental Bid Adjudication Committee and its sub-committees namely the regional bid adjudication and sub bid adjudication committees.

6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has appointed all Deputy Directors-General, including the CFO's and heads of departmental provincial offices to be responsible for the Occupational Health and Safety; which is in line with section 16.2 of the Occupational Health and Safety Act.

The departmental OHS policy was updated and signed off with the Smoking policy and the PPE Policy currently under review. The department's OHS strategic plan for the period of 2014-2018 has been approved, with the implementation of OHSAS 18001 system in progress. An OHS risk register has been adopted and is updated quarterly.

Qualified Safety Officers or coordinators are appointed in all departmental offices to ensure the implementation of Occupational Health and Safety Act in their areas of responsibility. Other legal appointments such as Health and Safety Representatives, first aiders, fire fighters are also appointed and trained with regional health and safety committees established and functioning.

Routine inspection, risk assessments and internal OHS audits are conducted and reports sent to responsible people for corrective actions. The departmental National Occupational Health and Safety Committee meets quarterly to discuss OHS matters and come up with solutions. Minutes and quarterly reports are sent to the Accounting Officer and the DDG's for noting and intervention where required.

October has been approved as a national OHS month and as from the 2015/16 financial year it will be celebrated throughout the department to create awareness.

7 PORTFOLIO COMMITTEES

During the year under review, the department had 31 interactions portfolio committees. The matters raised by the committees range from service delivery lapses within specific areas to providing specific reports on certain interventions undertaken. Progress and response on some of the issues raised by the committees is tabulated below:

| Matters raised by the committee | Response by the department |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Establish all outstanding catchment management agencies | A total of five (5) CMAs have been established and plans are underway to establish the remaining four (4) CMAs |
| Provide a report on the water situation in Bergville (Ward 4), KwaZulu-Natal | Using section 32 of the Municipal Finance Management Act, 15 hand pump boreholes were repaired. In addition, maintenance of the water and wastewater systems within uThukela District Municipality was done. |
| Provide the department's plans to deal with Bushbuckridge that is running out of water | Work was underway to supply water in four villages within the area namely Madjambeni, Oakley, Chavelagaza and Baromeng. Over the medium to long term, funds have been allocated through the Municipal Water Infrastructure Grant (MWIG) to construct various reticulation pipelines that will supply water in Bushbuckridge local municipality. |
| Provide a list of all municipalities where the Municipal Water Infrastructure Grant is being implemented, stipulating the challenges and measures put in place to address these challenges | The department provided a list of the affected municipalities detailing completed projects and those incomplete. In addition, the associated challenges per project were stipulated. To mitigate the prolonged process of appointing service providers resulting in delayed project execution, the department enhanced programme and project management support to ensure efficient and effective project implementation. |
| Provide a list of mines operating without water use licenses and the measures in place to deal with such | The list of mines was provided to the committee. To deal with mines that operate without water use licensing the department indicated that various administrative and criminal enforcement measures are used against the mines. |

| Matters raised by the committee | Response by the department |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provide monitoring mechanisms to ensure that Water Service Authorities adhere to the Division of Revenue mechanisms | The department indicated that all WSAs are required to submit monthly and quarterly reports. In addition, the department conducts quarterly performance evaluations and site visits. Also, bilateral meetings are convened with WSAs and implementing agents to address strategic issues that may affect programme performance. |
| Provide the process to verify personnel to avoid employing fraudulent people | The department reported that the verification process is undertaken in cooperation with the South African State Security Agency and the South African Qualifications Authority. However, as the process may take a while, the department has established a vetting unit to conduct first level screening. In addition, prospective employees are notified that the employment is dependent on receiving a positive security clearance. |
| Provide details on the technical problems that resulted in the non completion of five regional bulk infrastructure projects | The department reported that there were delays in the power supply for one project with the other projects valve having to be replaced due to a leakage. The contractor for one project was liquidated and the other projects the designs had to be revised. |
| Provide the main cause or reason for the increase in the number of buckets in the Nelson Mandela Municipality | The department reported that a significant number of households in informal settlements use the bucket toilet system. However, it is the department's understanding that the housing delivery programme is not progressing at the same speed as the growth of informal settlements in the area |
| Provide reasons why the Gauteng formal and historic townships not receiving assistance from the sanitation programme | The sanitation grants namely the Rural Household infrastructure and the Bucket Eradication Grants only provide for sanitation services in rural areas and bucket toilets |
| Provide report on the challenges regarding the sewer system in Emfuleni and indicate how these will be resolved. | The community protests, rivalry amongst community structures, theft and vandalism at the construction site resulted in the site closure. The Executive Authority has been informed of these and these have since been resolved. |

8 SCOPA RESOLUTIONS

There were no SCOPA resolutions for the period under review.

9 PRIOR MODIFICATIONS TO AUDIT REPORTS

Table 5: Department of Water and Sanitation (Vote 42) prior audit modifications

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commitments <p>I was unable to obtain sufficient appropriate audit evidence due to lack of supporting documents for the restatement of the corresponding figure for commitments. As described in note 22 to the financial statements, the restatement was made in order to rectify a prior year misstatement. I was unable to confirm the restatement by alternative means. Consequently I was unable to determine whether any adjustment to the commitments corresponding figure stated at R21.3 billion in the financial statements was necessary.</p> | 2012/13 | <ul style="list-style-type: none"> • Compiled a process flow on the accounting of possible transactions in the RBIG projects. • Developed a template to record all RBIG transactions from 2010/11 onwards. • The template captures transactions in detail from the Implementing agents invoice with its supporting to the BAS report. • Capturing of all payment vouchers was performed at all provincial offices. • During the capturing and analysis of the information, duplications, variances and outstanding information were discovered. • Communication of all variances and duplications identified as well as all outstanding documentation was sent through to provincial offices |
| Accruals <p>I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for accruals. As disclosed in note 23 to the financial statements, the restatement was made in order to rectify a prior year (2012) misstatement. I was unable to confirm the restatement by alternative means. Consequently I was unable to determine whether any adjustment to the accruals corresponding figure stated at R326.4 million in the financial statements was necessary.</p> | 2012/13 | <ul style="list-style-type: none"> • All transactions including the regions to be captured through LOGIS • The department will develop and implement a system to verify that all payments made after year end are checked if they relate/not relate to goods/services delivered in the year under review • Issue a communication to all branches/ regions to inform services provider who have rendered services but have not submitted invoices at year end to submit such invoices. • Quarterly reporting on accruals(IFS) |
| Irregular Expenditure <p>Section 38(1) (a) (iii) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) requires the department to implement and maintain an appropriate procurement and provisioning system, which is fair, equitable, transparent, competitive and cost effective. The department made payments in contravention of the supply chain management regulations amounting to R13.6 million in the current I year (2012: R66 million) and are disclosed as irregular in note 26 to the financial statements. The system of control to ensure that all irregular expenditure is identified and disclosed was inadequate to allow me to confirm the irregular expenditure disclosure, and I could not confirm</p> | 2011/12 | <p>Review of policies and procedure manual in progress and roll out the approved policies</p> <p>Monitor all the sundry payments for payments of projects that did not follow the procurement process</p> <p>Full utilisation of LOGIS system in a sense that all commitments will be registered (RBIG,ACIP)</p> <p>Implementation of the new supplier database in progress</p> <p>Out of 8 Regions three (3) Regions must appoint the specification committee</p> |

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| the irregular expenditure amount by alternative means. Consequently, I was unable to determine whether any adjustments relating to irregular expenditure disclosed as R1.1 billion (2012: R1.1 billion) in note 26 to the financial statements was necessary. | | |
| Immovable tangible capital assets: I was unable to obtain sufficient appropriate audit evidence that management has properly accounted for the additions to the buildings and other fixed structures for the current and prior year due to the status of the accounting records. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to the additions to the buildings and other fixed structures stated at R358.2 million (2012: R275.2 million) in note 34 in the financial statements was necessary. | 2011/12 | Project reconciliation have been performed for each phase except the Kwazulu Natal province because after the changes effected from transfer payment to payment per invoice based on the work done, the province continued with the pre-payments until 2012/13 financial year. |

Table 6: Water Trading Entity prior audit modifications

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance | Financial year in which it first arose | Progress made in clearing / resolving the matter |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue from exchange transaction <p>The entity did not have any adequate system of control over the recording of sales of water services on which I could rely on for the purpose of my audit, and there were no satisfactory audit procedures that I could perform to obtain reasonable assurance that all the water-relates services revenue was recorded accurately.</p> | 2012/13 | <p>(1) The business process has been developed and workshops were held with various stakeholders.</p> <p>(2) For the financial year 2015/16 R150 million has been allocated to ensure that water use authorisation and WARMS are properly resourced.</p> <p>(3) E-WULAAS has been implemented internally as a tracking system</p> <p>(4) During the 2015/16 financial year the department will take steps to ensure that an adequate document management system is put in place.</p> |
| Impairment of final assets <p>The entity did not have an adequate system in place to follow up and impair long-outstanding trade receivables. Sufficient and appropriate audit evidence was not available for the amounts disclosed as provision for impairment amounting to R3 262 702 000 (2012: R 2 467 410 000) in note 12 to the financial statements.</p> | 2012/13 | <p>The impairment policy had been revised and is approved. The impairment policy allows the department to assess impairment based on the following:</p> <p>(1) Evaluate debtors' cash flow.</p> <p>(2) Payment history</p> <p>(3) Financial health</p> <p>The data cleansing exercise is 90% complete and the department anticipates completing the exercise by the end of the financial year. The data cleansing has improved RTS's as the department can be able to use both postal, email and courier to send the statements to the customers.</p> |
| Receivable from exchange transactions <p>I was unable to obtain sufficient and appropriate audit evidence about the trade receivable balance reflected as R 6 144 075 000 (2012: R 5 196 833 000) in note 12 to the financial statements. There were significant differences between the amounts confirmed as outstanding by individual debtors and the amounts recorded in the accounting records of the entity which management could not substantiate. In addition, I noted that interest on debtor balances was not charged and accrued for.</p> | 2012/13 | <p>The CRM query register is in place. A total number of queries received are 2 298 of which 348 are resolved.</p> <p>Confirmation letters were sent to all 150 customers and the responses are as follows:</p> <p>(1) 8 returned confirmed</p> <p>(2) 2 customers confirmed current balance and disputed old debt</p> <p>(3) 7 confirmed through making a promise to pay</p> <p>(4) 119 Pending confirmation and continuous follow ups are made</p> <p>(5) Other confirmation (not included in above)</p> <p>50 customers confirmed their balances</p> <p>The top 150 customers were given to the debt collector so that they can assist in obtaining customers to confirm their balances. Currently visiting customers with the aim of ensuring that they confirm their balances</p> |

10 INTERNAL CONTROL UNIT

Despite the unit's capacity constraints for the period under review, the unit achieved the following from the work that was performed:

- Coordination of all audit matters: The unit established a working committee forum with representatives from the Auditor-General, Internal Audit and all relevant managers that were affected by the audit report. In addition, the unit supported the department's provincial offices by coordinating their respective audits and attending respective steering committee meetings.
- Participating in risk management forums as part of understanding the risks, misalignment of procedures and processes that are at the regional level.
- Assess the viability of the Logistics Management in terms of the turnaround time to process invoice for payment.
- Assisted the Financial Misconduct committee
- Performed compliance assessment on the readiness of the department to pay within 30 days
- Assisted in the review and drafting of some policies
- Established a working forum for all the finance regional heads to share and learn from each other experiences. Furthermore this forum assisted in resolving some financial technical queries that was faced by the regional finance. It should be noted that this forum was started late in the year and the work of this forum will continue in the years to come as the department want to harness financial operations across all regions.

11 INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit provides an independent, objective assurance and advisory services designed to add value and improve the department's operations. It assists the department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

The department's internal audit serves both the Main Exchequer Account and the Water Trading Entity and its activities include the assessing and evaluating:

- The reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.
- The systems established to ensure compliance with those policies, plans, procedures, laws, and other prescripts relevant to the department.
- The means of safeguarding assets and, where appropriate, the verification of the existence of such assets.
- The economic and efficient management of the department's financial, human and other resources, and the effective conduct of its operations.
- The operations and/or programmes to ascertain whether or not results are consistent with established objectives and goals and whether or not the operations are being carried out as planned.

The internal audit also conducts investigations and special assignments that are requested by senior management. Its activities were implemented in line with the annual operational plan which was approved by the audit committee as per the treasury regulation prescripts.

The Audit Committee, on the other hand, is a statutory committee of the department constituted in terms of the Public Finance Management Act No. 1 of 1999 (PFMA) as amended. It is established to serve as an independent governance structure whose function is to provide an oversight role on the systems of internal control, risk management, and governance. It thus assists the Accounting Officer (DG) in the effective execution of his/her responsibilities with the ultimate aim of the achievement of the department's objectives.

The Audit Committee also review the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of internal audit with significant findings and the responses of management to specific recommendations.

The table below discloses relevant information on the audit committee members:

| Name | Qualifications | Internal or external | If internal, position in the department | Date appointed | Date Resigned | No. of Meetings attended |
|----------------------------|----------------------------------------------------------------------------|----------------------|-----------------------------------------|----------------|---------------|--------------------------|
| Mr. Justice Motha | B.Com (Hons)/ CTA, Chartered Accountant | External | N/A | October 2008 | N/A | 7 out of 7 |
| Mr. Thiru Mudaly | B.Com (Hons)/ Diploma in Insolvency Law and Practice. Chartered Accountant | External | N/A | 01 April 2012 | N/A | 4 out of 7 |
| Ms Nosipho Maphumulo | B.Compt (Hons)/ CTA, Chartered Accountant | External | N/A | 01 April 2012 | February 2015 | 3 out of 7 |
| Ms Natalie Carol Skeepers | MSH/ BTech in Environmental health | External | N/A | 01 April 2013 | N/A | 7 out of 7 |
| Ms Annah Mmanoko Badimo | BSC (Hons)/ MSC/BC | External | N/A | 01 April 2013 | N/A | 7 out of 7 |
| Adv. FJ Van Der Westhuizen | B Legum | External | N/A | 01 April 2013 | N/A | 5 out of 7 |
| Adv. Mzondi Job Molapo | LLM qualification | External | N/A | 01 April 2013 | N/A | 2 out of 7 |

12 AUDIT COMMITTEE REPORT

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act No.29 of 1999 and Treasury Regulation 3.1.13. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

The Audit Committee has considered the results of the annual financial statements audit for the period under review for Vote 42 and the Water Trading Entity:

Reference is made to the Audit Committee report for Vote 42, section 1, set out on pages 196 to 197 in Part E: Financial Information of this annual report.

Reference is made to the Audit Committee report for the Water Trading Entity, section 1, set out on pages 336 to 337 in Part E: Financial Information of this annual report.

PART D

HUMAN RESOURCE MANAGEMENT



1 INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2 OVERVIEW OF HUMAN RESOURCES

For the period under review, the department had 7 465 posts filled out of 8 804, with a vacancy rate of 15, 2% (i.e. 1 348 posts) by the end of the financial year. The highest vacancies were in the newly established branches of Water Sector Regulation with 24% and the Water Planning and Information Management with a 19% vacancy. The filling of vacancies was affected by process to establish the new Department of Water and Sanitation, where the sanitation function was transferred from the department of Human Settlement. Hence, the department took a precaution of not fill all the vacant posts until the process was finalised, to avoid duplication of posts, amongst others.

The departmental strategy to fill posts was however augmented by the placement of candidate engineers and scientists into permanent positions. The Learning Academy has placed 47 candidates in the year under review. In the medium term, the objective is to increase the intake of new graduate trainees with the aim of closing the persistent skills gap in the water sector, and also continue to fill critical vacant positions.

The department has also been successful in the implementation training interventions in line with the Workplace Skills Plan (WSP), with 3 221 employees undergoing training. By March 2015, employees had attended training in the areas of Foundation Management Development Programme, Emerging Management Development Programme (FMDP), Advanced Management Development Programme (AMDP) and Executive Development Programme (EDP), mainly through the DPSA's Public School of Government. For the 2015/16 financial the focus will also include the implementation of the Adult Education and Training (AET). The training programme is aimed at bridging the gap between prior learning through job experience and professional qualification, thus increase the skills gap at operational level.

In the 2014/15 financial year, the department has also reviewed the following human resources policies:

- Leave Policy
- Employee Initiated Transfers Policy
- Resettlement Policy
- Recruitment and Selection Policy
- Overtime Policy
- Bereavement Policy

This intervention was embarked on to ensure that these policies are up to date and adhere to all relevant governance operational requirements such as Legislation, Regulations, Directives and Resolutions that forms part of the legislative framework of the Public Service. The review process commenced in May 2014 to consult with all internal and external stakeholders including organised labour.

3 HUMAN RESOURCES OVERSIGHT STATISTICS

Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

| Programme | Total expenditure (R'000) | Personnel expenditure (R'000) | Training expenditure (R'000) | Professional and special services expenditure (R'000) | Personnel expenditure as a % of total expenditure | Average personnel cost per employee (R'000) |
|-------------------------------------|---------------------------|-------------------------------|------------------------------|-------------------------------------------------------|---------------------------------------------------|---------------------------------------------|
| Administration | 888 186 | 332 557 | 6 220 | 59 570 | 37% | 270.2 |
| Water Sector Management | 468 638 | 184 660 | 2 389 | 139 450 | 39% | 398.0 |
| Water Infrastructure Management | 2 919 422 | - | - | - | 0% | - |
| Regional Implementation and Support | 7 178 148 | 657 444 | 7 006 | 247 618 | 9% | 290.0 |
| Water Sector Regulation | 129 576 | 79 811 | 1 084 | 24 725 | 62% | 486.7 |
| International Water Cooperation | 32 712 | 21 233 | 353 | 3 605 | 65% | 517.9 |
| Total | 11 616 682 | 1 275 705 | 17 052 | 474 968 | 11% | 311.1 |

Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

| Salary band | Personnel expenditure (R'000) | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|------------------------------------------|-------------------------------|---------------------------|------------------|---------------------------------------------|
| Lower skilled (Levels 1-2) | 24 529 | 2% | 226 | 108.5 |
| Skilled (level 3-5) | 140 936 | 11% | 994 | 141.8 |
| Highly skilled production (levels 6-8) | 398 867 | 31% | 1 618 | 246.5 |
| Highly skilled supervision (levels 9-12) | 578 011 | 45% | 1 114 | 518.9 |
| Senior and Top management (levels 13-16) | 133 362 | 10% | 149 | 895.0 |
| Total | 1 275 705 | 100% | 4 101 | 311.1 |

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|-------------------------------------|------------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Administration | 298 064 | 90% | 3 680 | 1% | 7 561 | 2% | 10 318 | 3% |
| Water Sector Management | 163 345 | 88% | 69 | 0% | 3 700 | 2% | 5 205 | 3% |
| Water Infrastructure Management | - | 0% | - | 0% | - | 0% | - | 0% |
| Regional Implementation and Support | 571 020 | 87% | 1 934 | 0% | 19 895 | 3% | 27 276 | 4% |
| Water Sector Regulation | 70 346 | 88% | 26 | 0% | 1 448 | 2% | 2 423 | 3% |
| International Water Cooperation | 18 824 | 89% | 112 | 1% | 530 | 2% | 538 | 3% |
| Total | 1 121 599 | 88% | 5 821 | 0% | 33 134 | 3% | 45 760 | 4% |

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|------------------------------------------|------------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Skilled (level 1-2) | 20 411 | 83% | 186 | 1% | 1 978 | 8% | 1 935 | 8% |
| Skilled (level 3-5) | 122 062 | 87% | 2 376 | 2% | 7 148 | 5% | 8 511 | 6% |
| Highly skilled production (levels 6-8) | 346 503 | 87% | 2 649 | 1% | 12 608 | 3% | 19 187 | 5% |
| Highly skilled supervision (levels 9-12) | 512 013 | 89% | 610 | 0% | 8 287 | 1% | 14 373 | 2% |
| Senior management (level 13-16) | 120 610 | 90% | | 0% | 3 114 | 2% | 1 754 | 1% |
| Total | 1 121 599 | 88% | 5 821 | 0% | 33 135 | 3% | 45 760 | 4% |

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations.

The department has identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2015

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-----------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| Administration | 1255 | 1053 | 16.1 | 93 |
| Water Planning & Information Management | 593 | 477 | 19.5 | 0 |
| Water Infrastructure Development | 4264 | 3687 | 13.5 | 1142 |
| Water & Sanitation Services | 2467 | 2077 | 15.8 | 105 |
| Water Sector Regulation | 225 | 171 | 24 | 8 |
| Total | 8804 | 7465 | 15.2 | 1348 |

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2015

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-----------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| Lower skilled (1-2) | 1226 | 1063 | 13.3 | 3 |
| Skilled(3-5) | 2736 | 2328 | 14.9 | 581 |
| Highly skilled production (6-8) | 2613 | 2270 | 13.1 | 453 |
| Highly skilled supervision (9-12) | 2008 | 1644 | 18.1 | 308 |
| Senior management (13-16) | 221 | 160 | 27.6 | 3 |
| Total | 8804 | 7465 | 15.2 | 1348 |

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2015

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-------------------------------------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| Administrative related, Permanent | 511 | 405 | 20.7 | 54 |
| Agriculture related, Permanent | 8 | 8 | 0 | 0 |
| All artisans in the building metal machinery etc., Permanent | 122 | 97 | 20.5 | 0 |
| Appraisers-valuers and related professionals, Permanent | 1 | 1 | 0 | 0 |
| Artisan project and related superintendents, Permanent | 7 | 6 | 14.3 | 0 |
| Auxiliary and related workers, Permanent | 517 | 434 | 16.1 | 7 |
| Biologists botanists zoologists & related professional, Permanent | 3 | 3 | 0 | 0 |
| Building and other property caretakers, Permanent | 103 | 86 | 16.5 | 0 |
| Bus and heavy vehicle drivers, Permanent | 28 | 22 | 21.4 | 0 |
| Cartographers and surveyors, Permanent | 13 | 8 | 38.5 | 0 |
| Cartographic surveying and related technicians, Permanent | 20 | 18 | 10 | 0 |
| Chemical and physical science technicians, Permanent | 16 | 10 | 37.5 | 0 |
| Civil engineering technicians, Permanent | 152 | 121 | 20.4 | 1 |
| Cleaners in offices workshops hospitals etc., Permanent | 165 | 155 | 6.1 | 0 |
| Client inform clerks(switchboard information clerks), Permanent | 11 | 8 | 27.3 | 0 |
| Communication and information related, Permanent | 32 | 28 | 12.5 | 1 |
| Community development workers, Permanent | 97 | 80 | 17.5 | 0 |
| Computer programmers., Permanent | 1 | 1 | 0 | 0 |
| Computer system designers and analysts., Permanent | 1 | 1 | 0 | 0 |
| Economists, Permanent | 4 | 2 | 50 | 0 |
| Electrical and electronics engineering technicians, Permanent | 5 | 5 | 0 | 2 |
| Engineering sciences related, Permanent | 514 | 456 | 11.3 | 57 |
| Engineers and related professionals, Permanent | 143 | 119 | 16.8 | 67 |
| Environmental health, Permanent | 1 | 0 | 100 | 0 |
| Farm hands and labourers, Permanent | 74 | 65 | 12.2 | 0 |
| Finance and economics related, Permanent | 206 | 165 | 19.9 | 15 |
| Financial and related professionals, Permanent | 18 | 17 | 5.6 | 0 |
| Financial clerks and credit controllers, Permanent | 513 | 424 | 17.3 | 51 |
| Food services aids and waiters, Permanent | 20 | 20 | 0 | 0 |
| General legal administration & rel. professionals, Permanent | 20 | 18 | 10 | 0 |

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|--------------------------------------------------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| Geologists geophysicists hydrologists & related professionals Permanent | 205 | 159 | 22.4 | 2 |
| Head of department/chief executive officer, Permanent | 2 | 2 | 0 | 1 |
| Household and laundry workers, Permanent | 9 | 7 | 22.2 | 0 |
| Household food and laundry services related, Permanent | 2 | 2 | 0 | 0 |
| Housekeepers laundry and related workers, Permanent | 1 | 1 | 0 | 0 |
| Human resources & organisational development & relate professionals, Permanent | 43 | 36 | 16.3 | 0 |
| Human resources clerks, Permanent | 174 | 150 | 13.8 | 4 |
| Human resources related, Permanent | 143 | 115 | 19.6 | 2 |
| Information technology related, Permanent | 27 | 26 | 3.7 | 0 |
| Language practitioners interpreters & other communications, Permanent | 41 | 32 | 22 | 0 |
| Legal related, Permanent | 3 | 1 | 66.7 | 0 |
| Librarians and related professionals, Permanent | 5 | 4 | 20 | 0 |
| Library mail and related clerks, Permanent | 48 | 40 | 16.7 | 1 |
| Light vehicle drivers, Permanent | 57 | 49 | 14 | 0 |
| Logistical support personnel, Permanent | 104 | 89 | 14.4 | 3 |
| Material-recording and transport clerks, Permanent | 204 | 166 | 18.6 | 12 |
| Mechanical engineering technicians, Permanent | 3 | 2 | 33.3 | 1 |
| Messengers porters and deliverers, Permanent | 100 | 85 | 15 | 0 |
| Mining geology & geophysical & related technicians, Permanent | 23 | 20 | 13 | 1 |
| Motor vehicle drivers, Permanent | 42 | 36 | 14.3 | 0 |
| Motorised farm and forestry plant operators, Permanent | 40 | 40 | 0 | 0 |
| Natural sciences related, Permanent | 370 | 275 | 25.7 | 13 |
| Natural sciences related, Temporary | 1 | 1 | 0 | 0 |
| Nature conservation and oceanographical related technicians, Permanent | 5 | 4 | 20 | 0 |
| Other administrative & related clerks and organisers, Permanent | 591 | 482 | 18.4 | 40 |
| Other administrative policy and related officers, Permanent | 112 | 96 | 14.3 | 0 |
| Other information technology personnel., Permanent | 9 | 8 | 11.1 | 0 |
| Other machine operators, Permanent | 3 | 2 | 33.3 | 0 |
| Other occupations, Permanent | 1023 | 1016 | 0.7 | 1010 |
| Photographic lithographic and related workers, Permanent | 1 | 1 | 0 | 0 |

| Critical occupation | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---------------------------------------------------------------|-------------------------------------------|------------------------|--------------|-----------------------------------------------------|
| Physicists, Permanent | 1 | 1 | 0 | 0 |
| Quantity surveyors & related professional, Permanent | 1 | 1 | 0 | 0 |
| Regulatory inspectors, Permanent | 31 | 22 | 29 | 0 |
| Risk management and security services, Permanent | 7 | 6 | 14.3 | 0 |
| Road workers, Permanent | 10 | 10 | 0 | 0 |
| Safety health and quality inspectors, Permanent | 13 | 10 | 23.1 | 0 |
| Secretaries & other keyboard operating clerks, Permanent | 175 | 149 | 14.9 | 1 |
| Security guards, Permanent | 48 | 40 | 16.7 | 0 |
| Security officers, Permanent | 140 | 137 | 2.1 | 0 |
| Senior managers, Permanent | 176 | 117 | 33.5 | 2 |
| Social sciences related, Permanent | 64 | 54 | 15.6 | 0 |
| Social work and related professionals, Permanent | 5 | 4 | 20 | 0 |
| Statisticians and related professionals, Permanent | 1 | 1 | 0 | 0 |
| Trade labourers, Permanent | 1199 | 1011 | 15.6 | 0 |
| Trade related, Permanent | 1 | 1 | 0 | 0 |
| Trade/industry advisers & other related profession, Permanent | 4 | 4 | 0 | 0 |
| Water plant and related operators, Permanent | 211 | 167 | 20.9 | 0 |
| Total | 8804 | 7465 | 15.2 | 1348 |

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2015

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 1 | 1 | 100 | 0 | 0 |
| Salary Level 15 | 14 | 11 | 78.6 | 3 | 21.4 |
| Salary Level 14 | 48 | 30 | 62.5 | 18 | 37.5 |
| Salary Level 13 | 158 | 117 | 74 | 41 | 26 |
| Total | 222 | 160 | 72 | 62 | 28 |

Table 3.3.2 SMS post information as on 30 September 2014

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 1 | 100 | 0 | 0 |
| Salary Level 16 | 1 | 1 | 100 | 0 | 0 |
| Salary Level 15 | 13 | 10 | 76.9 | 3 | 23.1 |
| Salary Level 14 | 49 | 32 | 65.3 | 17 | 34.7 |
| Salary Level 13 | 150 | 116 | 77.4 | 34 | 22.6 |
| Total | 214 | 160 | 74.7 | 54 | 25.3 |

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 0 | 0 | 0 | 0 |
| Salary Level 16 | 1 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 14 | 1 | 6 | 3 | 21.4 |
| Salary Level 14 | 48 | 3 | 6 | 18 | 37.5 |
| Salary Level 13 | 158 | 6 | 4 | 41 | 26 |
| Total | 222 | 10 | 5 | 62 | 28 |

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015

| Reasons for vacancies not advertised within six months |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The department had been busy with two critical projects related to the organisational structure in the last 36 months. Firstly the organisational review of the department of Water Affairs which culminated in the concurrence letter issued to the department in February 2014. Secondly, subsequent to the 2014 national elections, a new Department was proclaimed and established with the relocation of the sanitation function from the department of Human Settlements. Hence the department took a cautious decision of not to filling all vacant posts until the National Macro-Organisation of the State has been finalised, in November 2015. |
| Reasons for vacancies not filled within six months |
| Reasons are the same as above. |

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015

| Reasons for vacancies not advertised within six months |
|--------------------------------------------------------|
| None |
| Reasons for vacancies not filled within six months |
| None |

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|------------------------------------------|-------------------------------------------|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower Skilled (Levels 1-2) | 1226 | None | | | | | |
| Skilled (Levels 3-5) | 2735 | 4 | 0.19% | 4 | 1% | 0% | 0% |
| Highly skilled production (Levels 6-8) | 2613 | 11 | 0.50% | 11 | 1% | 0% | 0% |
| Highly skilled supervision (Levels 9-12) | 2008 | 8 | 0.47% | 5 | 62% | 0% | 0% |
| Senior Management Service Band A | 158 | 52 | 33.33% | 0 | 0% | 0% | 0% |
| Senior Management Service Band B | 48 | 14 | 30.03% | 0 | 0% | 0% | 0% |
| Senior Management Service Band C | 15 | 2 | 14.29% | 0 | 0% | 0% | 0% |
| Senior Management Service Band D | 1 | None | | | | | |
| Total | 8804 | 91 | 1.03 | 20 | 0.22 | 0 | 0 |

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015

| Gender | African | Asian | Coloured | White | Total |
|--------------|-----------|----------|----------|----------|-----------|
| Female | 31 | 1 | 0 | 4 | 36 |
| Male | 46 | 0 | 3 | 1 | 50 |
| Total | 77 | 1 | 3 | 5 | 86 |

| | |
|-----------------------------|---|
| Employees with a disability | 0 |
|-----------------------------|---|

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|------------------------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------|
| None | 0 | 0 | 0 | 0 |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | 0 |
| Percentage of total employed | | | | 0 |

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2014

| Gender | African | Asian | Coloured | White | Total |
|--------|---------|-------|----------|-------|-------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | | | | | |
|-----------------------------|---|---|---|---|---|
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
|-----------------------------|---|---|---|---|---|

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015

| Salary band | Number of employees at beginning of period-1 April 20YY | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|------------------------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Lower skilled (Levels 1-2) | 870 | 121 | 35 | 4 |
| Skilled (Levels3-5) | 1956 | 116 | 132 | 6.7 |
| Highly skilled production (Levels 6-8) | 2372 | 33 | 93 | 3.9 |
| Highly skilled supervision (Levels 9-12) | 1367 | 17 | 64 | 4.7 |
| Senior Management Service Bands A | 117 | 4 | 4 | 3.4 |
| Senior Management Service Bands B | 68 | 2 | 5 | 7.4 |
| Senior Management Service Bands C | 10 | 0 | 2 | 20 |
| Senior Management Service Bands D | 3 | 0 | 0 | 0 |
| Contracts | 511 | 239 | 141 | 6.54 |
| Total | 7274 | 532 | 476 | 6.5 |

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015

| Critical occupation | Number of employees at beginning of period-April 20YY | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|-------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Administrative related, Permanent | 379 | 40 | 53 | 14 |
| Agriculture related, Permanent | 7 | 0 | 0 | 0 |
| All artisans in the building metal machinery etc., Permanent | 103 | 0 | 7 | 6.8 |
| Artisan project and related superintendents, Permanent | 6 | 0 | 0 | 0 |
| Auxiliary and related workers, Permanent | 440 | 10 | 23 | 5.2 |
| Biologists botanists zoologists & related professional, Permanent | 2 | 0 | 0 | 0 |
| Building and other property caretakers, Permanent | 94 | 2 | 9 | 9.6 |
| Bus and heavy vehicle drivers, Permanent | 24 | 0 | 2 | 8.3 |
| Cartographers and surveyors, Permanent | 5 | 0 | 0 | 0 |
| Cartographic surveying and related technicians, Permanent | 19 | 0 | 0 | 0 |
| Chemical and physical science technicians, Permanent | 11 | 0 | 0 | 0 |
| Civil engineering technicians, Permanent | 122 | 0 | 3 | 2.5 |
| Cleaners in offices workshops hospitals etc., Permanent | 155 | 7 | 7 | 4.5 |
| Client inform clerks(switchboard receptionist inform clerks), Permanent | 10 | 0 | 1 | 10 |
| Communication and information related, Permanent | 29 | 2 | 2 | 6.9 |
| Community development workers, Permanent | 77 | 2 | 3 | 3.9 |
| Computer programmers., Permanent | 1 | 0 | 0 | 0 |
| Computer system designers and analysts., Permanent | 1 | 0 | 0 | 0 |
| Economists, Permanent | 1 | 1 | 1 | 100 |
| Electrical and electronics engineering technicians, Permanent | 3 | 0 | 0 | 0 |
| Engineering sciences related, Permanent | 394 | 108 | 49 | 12.4 |
| Engineers and related professionals, Permanent | 75 | 36 | 8 | 10.7 |
| Farm hands and labourers, Permanent | 80 | 1 | 7 | 8.8 |
| Finance and economics related, Permanent | 155 | 7 | 7 | 4.5 |
| Financial and related professionals, Permanent | 14 | 1 | 0 | 0 |
| Financial clerks and credit controllers, Permanent | 414 | 35 | 30 | 7.2 |
| Food services aids and waiters, Permanent | 22 | 0 | 2 | 9.1 |
| General legal administration & rel. professionals, Permanent | 9 | 0 | 2 | 22.2 |

| Critical occupation | Number of employees at beginning of period-April 20YY | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|-------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Geologists geophysicists hydrologists & related professional, Permanent | 154 | 4 | 2 | 1.3 |
| Head of department/chief executive officer, Permanent | 1 | 1 | 0 | 0 |
| Health sciences related, Permanent | 1 | 0 | 0 | 0 |
| Household and laundry workers, Permanent | 5 | 0 | 0 | 0 |
| Household food and laundry services related, Permanent | 1 | 0 | 0 | 0 |
| Housekeepers laundry and related workers, Permanent | 1 | 0 | 0 | 0 |
| Human resources & organisational development & relate professional, Permanent | 43 | 0 | 2 | 4.7 |
| Human resources clerks, Permanent | 156 | 1 | 4 | 2.6 |
| Human resources related, Permanent | 121 | 0 | 5 | 4.1 |
| Information technology related, Permanent | 26 | 0 | 1 | 3.8 |
| Language practitioners interpreters & other communication, Permanent | 31 | 2 | 1 | 3.2 |
| Librarians and related professionals, Permanent | 4 | 0 | 0 | 0 |
| Library mail and related clerks, Permanent | 42 | 2 | 2 | 4.8 |
| Light vehicle drivers, Permanent | 47 | 3 | 2 | 4.3 |
| Logistical support personnel, Permanent | 78 | 1 | 2 | 2.6 |
| Material-recording and transport clerks, Permanent | 158 | 6 | 6 | 3.8 |
| Mechanical engineering technicians, Permanent | 2 | 0 | 0 | 0 |
| Messengers porters and deliverers, Permanent | 92 | 1 | 6 | 6.5 |
| Mining geology & geophysical & related technicians, Permanent | 20 | 0 | 0 | 0 |
| Motor vehicle drivers, Permanent | 36 | 3 | 4 | 11.1 |
| Motorised farm and forestry plant operators, Permanent | 53 | 0 | 13 | 24.5 |
| Natural sciences related, Permanent | 272 | 7 | 12 | 4.4 |
| Natural sciences related, Temporary | 1 | 0 | 0 | 0 |
| Nature conservation and oceanographical related technical, Permanent | 3 | 0 | 0 | 0 |
| Other administrative & related clerks and organisers, Permanent | 490 | 23 | 29 | 5.9 |
| Other administrative policy and related officers, Permanent | 101 | 0 | 3 | 3 |
| Other information technology personnel., Permanent | 8 | 0 | 0 | 0 |
| Other machine operators, Permanent | 3 | 0 | 1 | 33.3 |
| Other occupations, Permanent | 975 | 87 | 56 | 5.7 |

| Critical occupation | Number of employees at beginning of period-April 20YY | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|--------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Photographic lithographic and related workers, Permanent | 1 | 0 | 0 | 0 |
| Quantity surveyors & related professional not class elsewhere, Permanent | 1 | 0 | 0 | 0 |
| Regulatory inspectors, Permanent | 27 | 0 | 4 | 14.8 |
| Risk management and security services, Permanent | 6 | 0 | 0 | 0 |
| Road workers, Permanent | 9 | 0 | 0 | 0 |
| Safety health and quality inspectors, Permanent | 8 | 0 | 1 | 12.5 |
| Secretaries & other keyboard operating clerks, Permanent | 141 | 15 | 10 | 7.1 |
| Security guards, Permanent | 46 | 0 | 5 | 10.9 |
| Security officers, Permanent | 139 | 1 | 1 | 0.7 |
| Senior managers, Permanent | 111 | 9 | 8 | 7.2 |
| Social sciences related, Permanent | 51 | 1 | 2 | 3.9 |
| Social work and related professionals, Permanent | 4 | 0 | 0 | 0 |
| Statisticians and related professionals, Permanent | 1 | 0 | 0 | 0 |
| Trade labourers, Permanent | 977 | 106 | 64 | 6.6 |
| Trade related, Permanent | 1 | 0 | 0 | 0 |
| Trade/industry advisers & other related profession, Permanent | 4 | 0 | 0 | 0 |
| Water plant and related operators, Permanent | 170 | 7 | 14 | 8.2 |
| TOTAL | 7274 | 532 | 476 | 6.5 |

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015

| Termination Type | Number | % of Total Resignations |
|----------------------------------------------------------------------|------------|-------------------------|
| Death | 43 | 9 |
| Resignation | 136 | 28.6 |
| Expiry of contract | 107 | 22.5 |
| Dismissal – operational changes | 0 | 0 |
| Dismissal – misconduct | 9 | 1.9 |
| Dismissal – inefficiency | 0 | 0 |
| Discharged due to ill-health | 7 | 1.5 |
| Retirement | 163 | 34.2 |
| Transfer to other Public Service Departments | 4 | 0.8 |
| Other | 7 | 1.5 |
| Total | 476 | 100 |
| Total number of employees who left as a % of total employment | | |

Table 3.5.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015

| Occupation | Employees 1 April 20YY | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---------------------------------------------------------------|------------------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Administrative related | 379 | 18 | 4.7 | 218 | 57.5 |
| Agriculture related | 7 | 0 | 0 | 5 | 71.4 |
| All artisans in the building metal machinery etc. | 103 | 1 | 1 | 80 | 77.7 |
| Appraisers-valuers and related professionals | 0 | 1 | 0 | 0 | 0 |
| Artisan project and related superintendents | 6 | 0 | 0 | 5 | 83.3 |
| Auxiliary and related workers | 440 | 9 | 2 | 336 | 76.4 |
| Biologists botanists zoologists & related professional | 2 | 0 | 0 | 1 | 50 |
| Building and other property caretakers | 94 | 0 | 0 | 67 | 71.3 |
| Bus and heavy vehicle drivers | 24 | 0 | 0 | 17 | 70.8 |
| Cartographers and surveyors | 5 | 0 | 0 | 4 | 80 |
| Cartographic surveying and related technicians | 19 | 0 | 0 | 14 | 73.7 |
| Chemical and physical science technicians | 11 | 0 | 0 | 7 | 63.6 |
| Civil engineering technicians | 122 | 0 | 0 | 106 | 86.9 |
| Cleaners in offices workshops hospitals etc. | 155 | 0 | 0 | 111 | 71.6 |
| Client inform clerks (switchboard receptionist inform clerks) | 10 | 0 | 0 | 6 | 60 |
| Communication and information related | 29 | 3 | 10.3 | 18 | 62.1 |
| Community development workers | 77 | 2 | 2.6 | 51 | 66.2 |
| Computer programmers. | 1 | 0 | 0 | 1 | 100 |
| Computer system designers and analysts. | 1 | 0 | 0 | 1 | 100 |
| Economists | 1 | 0 | 0 | 1 | 100 |
| Electrical and electronics engineering technicians | 3 | 0 | 0 | 1 | 33.3 |
| Engineering sciences related | 394 | 3 | 0.8 | 101 | 25.6 |
| Engineers and related professionals | 75 | 3 | 4 | 43 | 57.3 |
| Farm hands and labourers | 80 | 0 | 0 | 53 | 66.3 |
| Finance and economics related | 155 | 12 | 7.7 | 107 | 69 |
| Financial and related professionals | 14 | 3 | 21.4 | 9 | 64.3 |
| Financial clerks and credit controllers | 414 | 10 | 2.4 | 274 | 66.2 |
| Food services aids and waiters | 22 | 0 | 0 | 19 | 86.4 |
| General legal administration & rel. professionals | 9 | 1 | 11.1 | 5 | 55.6 |
| Geologists geophysicists hydrologists & related professionals | 154 | 2 | 1.3 | 115 | 74.7 |
| Head of department/chief executive officer | 1 | 0 | 0 | 2 | 200 |
| Health sciences related | 1 | 0 | 0 | 1 | 100 |

| Occupation | Employees 1 April 20YY | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---------------------------------------------------------------------|------------------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Household and laundry workers | 5 | 0 | 0 | 4 | 80 |
| Household food and laundry services related | 1 | 0 | 0 | 1 | 100 |
| Housekeepers laundry and related workers | 1 | 0 | 0 | 1 | 100 |
| Human resources & organisational development & relate professionals | 43 | 1 | 2.3 | 21 | 48.8 |
| Human resources clerks | 156 | 2 | 1.3 | 90 | 57.7 |
| Human resources related | 121 | 3 | 2.5 | 93 | 76.9 |
| Information technology related | 26 | 1 | 3.8 | 22 | 84.6 |
| Language practitioners interpreters & other communication | 31 | 0 | 0 | 22 | 71 |
| Librarians and related professionals | 4 | 0 | 0 | 4 | 100 |
| Library mail and related clerks | 42 | 1 | 2.4 | 27 | 64.3 |
| Light vehicle drivers | 47 | 0 | 0 | 27 | 57.4 |
| Logistical support personnel | 78 | 2 | 2.6 | 48 | 61.5 |
| Material-recording and transport clerks | 158 | 1 | 0.6 | 107 | 67.7 |
| Mechanical engineering technicians | 2 | 0 | 0 | 1 | 50 |
| Messengers porters and deliverers | 92 | 0 | 0 | 63 | 68.5 |
| Mining geology & geophysical & related technicians | 20 | 0 | 0 | 14 | 70 |
| Motor vehicle drivers | 36 | 1 | 2.8 | 26 | 72.2 |
| Motorised farm and forestry plant operators | 53 | 0 | 0 | 30 | 56.6 |
| Natural sciences related | 273 | 13 | 4.8 | 166 | 60.8 |
| Nature conservation and oceanographical related technicians | 3 | 0 | 0 | 2 | 66.7 |
| Other administrative & related clerks and organisers | 490 | 7 | 1.4 | 302 | 61.6 |
| Other administrative policy and related officers | 101 | 1 | 1 | 79 | 78.2 |
| Other information technology personnel. | 8 | 0 | 0 | 6 | 75 |
| Other machine operators | 3 | 0 | 0 | 1 | 33.3 |
| Other occupations | 975 | 275 | 28.2 | 34 | 3.5 |
| Photographic lithographic and related workers | 1 | 0 | 0 | 1 | 100 |
| Physicists | 0 | 1 | 0 | 0 | 0 |
| Quantity surveyors & related professional not class elsewhere | 1 | 0 | 0 | 1 | 100 |
| Regulatory inspectors | 27 | 0 | 0 | 16 | 59.3 |
| Risk management and security services | 6 | 0 | 0 | 4 | 66.7 |
| Road workers | 9 | 1 | 11.1 | 9 | 100 |
| Safety health and quality inspectors | 8 | 2 | 25 | 4 | 50 |
| Secretaries & other keyboard operating clerks | 141 | 4 | 2.8 | 102 | 72.3 |

| Occupation | Employees 1 April 20YY | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|--------------------------------------------------------------|------------------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Security guards | 46 | 1 | 2.2 | 32 | 69.6 |
| Security officers | 139 | 0 | 0 | 98 | 70.5 |
| Senior managers | 111 | 6 | 5.4 | 64 | 57.7 |
| Social sciences related | 51 | 2 | 3.9 | 39 | 76.5 |
| Social work and related professionals | 4 | 0 | 0 | 1 | 25 |
| Statisticians and related professionals | 1 | 0 | 0 | 0 | 0 |
| Trade labourers | 977 | 0 | 0 | 698 | 71.4 |
| Trade related | 1 | 0 | 0 | 0 | 0 |
| Trade/industry advisers & other related profession | 4 | 0 | 0 | 2 | 50 |
| Water plant and related operators | 170 | 7 | 4.1 | 113 | 66.5 |
| Administrative related | 379 | 18 | 4.7 | 218 | 57.5 |
| Agriculture related | 7 | 0 | 0 | 5 | 71.4 |
| All artisans in the building metal machinery etc. | 103 | 1 | 1 | 80 | 77.7 |
| Appraisers-valuers and related professionals | 0 | 1 | 0 | 0 | 0 |
| Artisan project and related superintendents | 6 | 0 | 0 | 5 | 83.3 |
| Auxiliary and related workers | 440 | 9 | 2 | 336 | 76.4 |
| Biologists botanists zoologists & related professional | 2 | 0 | 0 | 1 | 50 |
| Building and other property caretakers | 94 | 0 | 0 | 67 | 71.3 |
| Bus and heavy vehicle drivers | 24 | 0 | 0 | 17 | 70.8 |
| Cartographers and surveyors | 5 | 0 | 0 | 4 | 80 |
| Cartographic surveying and related technicians | 19 | 0 | 0 | 14 | 73.7 |
| Chemical and physical science technicians | 11 | 0 | 0 | 7 | 63.6 |
| Civil engineering technicians | 122 | 0 | 0 | 106 | 86.9 |
| Cleaners in offices workshops hospitals etc. | 155 | 0 | 0 | 111 | 71.6 |
| Client inform clerks(switchboard receptionist inform clerks) | 10 | 0 | 0 | 6 | 60 |
| Communication and information related | 29 | 3 | 10.3 | 18 | 62.1 |
| Community development workers | 77 | 2 | 2.6 | 51 | 66.2 |
| Computer programmers. | 1 | 0 | 0 | 1 | 100 |
| Computer system designers and analysts. | 1 | 0 | 0 | 1 | 100 |
| Economists | 1 | 0 | 0 | 1 | 100 |
| Electrical and electronics engineering technicians | 3 | 0 | 0 | 1 | 33.3 |
| Engineering sciences related | 394 | 3 | 0.8 | 101 | 25.6 |
| Engineers and related professionals | 75 | 3 | 4 | 43 | 57.3 |
| Farm hands and labourers | 80 | 0 | 0 | 53 | 66.3 |
| Finance and economics related | 155 | 12 | 7.7 | 107 | 69 |
| Financial and related professionals | 14 | 3 | 21.4 | 9 | 64.3 |

| Occupation | Employees 1 April 20YY | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|----------------------------------------------------------------------|------------------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Financial clerks and credit controllers | 414 | 10 | 2.4 | 274 | 66.2 |
| Food services aids and waiters | 22 | 0 | 0 | 19 | 86.4 |
| General legal administration & rel. professionals | 9 | 1 | 11.1 | 5 | 55.6 |
| Geologists geophysicists hydrologists & related professionals | 154 | 2 | 1.3 | 115 | 74.7 |
| Head of department/chief executive officer | 1 | 0 | 0 | 2 | 200 |
| Health sciences related | 1 | 0 | 0 | 1 | 100 |
| Household and laundry workers | 5 | 0 | 0 | 4 | 80 |
| Household food and laundry services related | 1 | 0 | 0 | 1 | 100 |
| Housekeepers laundry and related workers | 1 | 0 | 0 | 1 | 100 |
| Human resources & organisational development & related professionals | 43 | 1 | 2.3 | 21 | 48.8 |
| Human resources clerks | 156 | 2 | 1.3 | 90 | 57.7 |
| Human resources related | 121 | 3 | 2.5 | 93 | 76.9 |
| Information technology related | 26 | 1 | 3.8 | 22 | 84.6 |
| Language practitioners interpreters & other communication | 31 | 0 | 0 | 22 | 71 |
| Librarians and related professionals | 4 | 0 | 0 | 4 | 100 |
| Library mail and related clerks | 42 | 1 | 2.4 | 27 | 64.3 |
| Light vehicle drivers | 47 | 0 | 0 | 27 | 57.4 |
| Logistical support personnel | 78 | 2 | 2.6 | 48 | 61.5 |
| Material-recording and transport clerks | 158 | 1 | 0.6 | 107 | 67.7 |
| Mechanical engineering technicians | 2 | 0 | 0 | 1 | 50 |
| Messengers porters and deliverers | 92 | 0 | 0 | 63 | 68.5 |
| Mining geology & geophysical & related technicians | 20 | 0 | 0 | 14 | 70 |
| Motor vehicle drivers | 36 | 1 | 2.8 | 26 | 72.2 |
| Motorised farm and forestry plant operators | 53 | 0 | 0 | 30 | 56.6 |
| Natural sciences related | 273 | 13 | 4.8 | 166 | 60.8 |
| Nature conservation and oceanographical related technicians | 3 | 0 | 0 | 2 | 66.7 |
| Other administrative & related clerks and organisers | 490 | 7 | 1.4 | 302 | 61.6 |
| Other administrative policy and related officers | 101 | 1 | 1 | 79 | 78.2 |
| Other information technology personnel. | 8 | 0 | 0 | 6 | 75 |
| Other machine operators | 3 | 0 | 0 | 1 | 33.3 |
| Other occupations | 975 | 275 | 28.2 | 34 | 3.5 |
| Photographic lithographic and related workers | 1 | 0 | 0 | 1 | 100 |
| Physicists | 0 | 1 | 0 | 0 | 0 |

| Occupation | Employees 1 April 20YY | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|---------------------------------------------------------------|------------------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Quantity surveyors & related professional not class elsewhere | 1 | 0 | 0 | 1 | 100 |
| Regulatory inspectors | 27 | 0 | 0 | 16 | 59.3 |
| Risk management and security services | 6 | 0 | 0 | 4 | 66.7 |
| Road workers | 9 | 1 | 11.1 | 9 | 100 |
| Safety health and quality inspectors | 8 | 2 | 25 | 4 | 50 |
| Secretaries & other keyboard operating clerks | 141 | 4 | 2.8 | 102 | 72.3 |
| Security guards | 46 | 1 | 2.2 | 32 | 69.6 |
| Security officers | 139 | 0 | 0 | 98 | 70.5 |
| Senior managers | 111 | 6 | 5.4 | 64 | 57.7 |
| Social sciences related | 51 | 2 | 3.9 | 39 | 76.5 |
| Social work and related professionals | 4 | 0 | 0 | 1 | 25 |
| Statisticians and related professionals | 1 | 0 | 0 | 0 | 0 |
| Trade labourers | 977 | 0 | 0 | 698 | 71.4 |
| Trade related | 1 | 0 | 0 | 0 | 0 |
| Trade/industry advisers & other related profession | 4 | 0 | 0 | 2 | 50 |
| Water plant and related operators | 170 | 7 | 4.1 | 113 | 66.5 |
| TOTAL | 7274 | 400 | 5.5 | 4154 | 57.1 |

Table 3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

| Salary Band | Employees 1 April 20YY | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|------------------------------------------|------------------------|------------------------------------|-------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Lower skilled (Levels 1-2) | 870 | 0 | 0 | 499 | 57.4 |
| Skilled (Levels 3-5) | 2142 | 98 | 5 | 1124 | 57.5 |
| Highly skilled production (Levels 6-8) | 2594 | 177 | 7.5 | 1478 | 61.9 |
| Highly skilled supervision (Levels 9-12) | 1465 | 111 | 8.1 | 908 | 64.9 |
| Senior Management (Level 13-16) | 203 | 14 | 6.6 | 145 | 71.2 |
| Total | 7274 | 400 | 5.5 | 4154 | 57.1 |

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

| Occupational category | Male | | | | Female | | | | Total |
|--------------------------------------------|-------------|------------|-----------|------------|-------------|------------|-----------|------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 47 | 4 | 6 | 10 | 43 | 4 | 1 | 6 | 121 |
| Professionals | 520 | 37 | 20 | 205 | 469 | 27 | 22 | 45 | 1345 |
| Technicians and associate professionals | 634 | 75 | 18 | 102 | 545 | 20 | 19 | 80 | 1493 |
| Clerks | 378 | 27 | 5 | 19 | 785 | 58 | 21 | 126 | 1419 |
| Service and sales workers | 153 | 2 | 1 | 6 | 42 | 2 | 1 | 1 | 208 |
| Skilled agriculture and fishery workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | 61 | 6 | 2 | 34 | 1 | 1 | 0 | 0 | 105 |
| Plant and machine operators and assemblers | 895 | 81 | 4 | 141 | 131 | 19 | 3 | 51 | 1325 |
| Elementary occupations | 966 | 95 | 2 | 8 | 357 | 19 | 1 | 1 | 1449 |
| Total | 3654 | 327 | 58 | 525 | 2373 | 150 | 68 | 310 | 7465 |
| Employees with disabilities | 30 | 3 | 0 | 15 | 23 | 1 | 1 | 6 | 79 |

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015

| Occupational band | Male | | | | Female | | | | Total |
|-------------------------------------------------------------------------------------------------------------------|-------------|------------|-----------|------------|-------------|------------|-----------|------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 6 | 0 | 1 | 6 | 7 | 1 | 0 | 0 | 21 |
| Senior Management | 65 | 5 | 6 | 53 | 54 | 3 | 3 | 16 | 205 |
| Professionally qualified and experienced specialists and mid-management | 599 | 55 | 19 | 308 | 465 | 20 | 27 | 81 | 1574 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 1085 | 83 | 23 | 133 | 1048 | 79 | 32 | 185 | 2668 |
| Semi-skilled and discretionary decision making | 1327 | 150 | 7 | 24 | 538 | 31 | 6 | 28 | 2111 |
| Unskilled and defined decision making | 572 | 34 | 2 | 1 | 261 | 16 | 0 | 0 | 886 |
| Total | 3654 | 327 | 58 | 525 | 2373 | 150 | 68 | 310 | 7465 |

Table 3.6.3 Recruitment for the period 1 April 2014 to 31 March 2015

| Occupational band | Male | | | | Female | | | | Total |
|-------------------------------------------------------------------------------------------------------------------|------------|-----------|----------|-----------|------------|----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 3 |
| Senior Management | 2 | 0 | 0 | 2 | 7 | 1 | 0 | 0 | 12 |
| Professionally qualified and experienced specialists and mid-management | 25 | 1 | 0 | 37 | 15 | 0 | 0 | 10 | 88 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 40 | 2 | 2 | 2 | 47 | 2 | 0 | 0 | 95 |
| Semi-skilled and discretionary decision making | 117 | 7 | 1 | 10 | 73 | 1 | 0 | 1 | 210 |
| Unskilled and defined decision making | 103 | 3 | 0 | 0 | 16 | 2 | 0 | 0 | 124 |
| Total | 289 | 13 | 3 | 51 | 158 | 7 | 0 | 11 | 532 |
| Employees with disabilities | 4 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 5 |

Table 3.6.4 Promotions for the period 1 April 2014 to 31 March 2015

| Occupational band | Male | | | | Female | | | | Total |
|-------------------------------------------------------------------------------------------------------------------|-------------|------------|-----------|------------|-------------|------------|-----------|------------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 4 | 0 | 0 | 6 | 1 | 0 | 0 | 0 | 11 |
| Senior Management | 40 | 4 | 4 | 45 | 33 | 2 | 3 | 17 | 148 |
| Professionally qualified and experienced specialists and mid-management | 396 | 27 | 16 | 173 | 326 | 14 | 14 | 53 | 1019 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 602 | 48 | 11 | 71 | 707 | 56 | 27 | 133 | 1655 |
| Semi-skilled and discretionary decision making | 838 | 101 | 3 | 11 | 236 | 23 | 2 | 8 | 1222 |
| Unskilled and defined decision making | 308 | 21 | 0 | 1 | 160 | 9 | 0 | 0 | 499 |
| Total | 2188 | 201 | 34 | 307 | 1463 | 104 | 46 | 211 | 4554 |
| Employees with disabilities | 19 | 2 | 0 | 12 | 14 | 0 | 0 | 6 | 53 |

Table 3.6.5 Terminations for the period 1 April 2014 to 31 March 2015

| Occupational band | Male | | | | Female | | | | Total |
|-------------------------------------------------------------------------------------------------------------------|------------|-----------|----------|-----------|------------|----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 1 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 3 |
| Senior Management | 3 | 2 | 0 | 1 | 2 | 0 | 0 | 1 | 9 |
| Professionally qualified and experienced specialists and mid-management | 31 | 2 | 1 | 24 | 19 | 0 | 1 | 8 | 86 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 53 | 8 | 0 | 12 | 28 | 4 | 2 | 6 | 113 |
| Semi-skilled and discretionary decision making | 146 | 15 | 0 | 4 | 62 | 1 | 0 | 2 | 230 |
| Unskilled and defined decision making | 24 | 1 | 0 | 1 | 9 | 0 | 0 | 0 | 35 |
| Total | 258 | 28 | 1 | 44 | 120 | 5 | 3 | 17 | 476 |
| Employees with Disabilities | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 2 |

Table 3.6.6 Disciplinary action for the period 1 April 2014 to 31 March 2015

| Occupational band | Male | | | | Female | | | | Total |
|-------------------|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| | 27 | 0 | 2 | 1 | 14 | 0 | 2 | 2 | 46 |
| | | | | | | | | | |

Table 3.6.7 Skills development for the period 1 April 2014 to 31 March 2015

| Occupational band | Male | | | | Female | | | | Total |
|--------------------------------------------|-------------|------------|-----------|------------|-------------|-----------|-----------|-----------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 251 | 10 | 9 | 27 | 194 | 12 | 7 | 12 | 522 |
| Professionals | 279 | 16 | 7 | 54 | 234 | 5 | 7 | 12 | 614 |
| Technicians and associate professionals | 259 | 30 | 2 | 75 | 183 | 17 | 10 | 10 | 586 |
| Clerks | 296 | 19 | 1 | 12 | 350 | 11 | 7 | 9 | 705 |
| Service and sales workers | | | | | | | | | |
| Skilled agriculture and fishery workers | | | | | | | | | |
| Craft and related trades workers | 16 | 3 | 0 | 4 | 1 | 1 | 0 | 2 | 27 |
| Plant and machine operators and assemblers | 175 | 7 | 0 | 1 | 33 | 0 | 0 | 0 | 216 |
| Elementary occupations | 423 | 28 | 0 | 0 | 94 | 6 | 0 | 0 | 551 |
| Total | 1699 | 113 | 19 | 173 | 1089 | 52 | 31 | 45 | 3221 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2015

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| Director-General/ Head of Department | 1 | 1 | 1 | 100% |
| Salary Level 16 | 1 | 1 | 1 | 100% |
| Salary Level 15 | 14 | 11 | 7 | 64% |
| Salary Level 14 | 48 | 30 | 23 | 77% |
| Salary Level 13 | 158 | 117 | 102 | 87% |
| Total | 222 | 160 | 133 | 83% |

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015

| Reasons |
|-------------------------------------------------------------------------------|
| Some of the SMS members were on suspension, while others left the department. |

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

| Reasons |
|---------------------------------------------------------------------|
| No disciplinary action was taken as per the reasons indicated above |

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | | | | | |
| Male | 1055 | 3654 | 28.9 | 22302 | 21260 |
| Female | 579 | 2373 | 244 | 9951 | 17336 |
| Asian | | | | | |
| Male | 24 | 58 | 41.4 | 889 | 37053 |
| Female | 27 | 68 | 40.3 | 613 | 22697 |
| Coloured | | | | | |
| Male | 109 | 327 | 33.6 | 2583 | 23696 |
| Female | 53 | 150 | 35.6 | 1005 | 18962 |
| White | | | | | |
| Male | 276 | 525 | 54.1 | 12330 | 44674 |
| Female | 168 | 310 | 55.3 | 4386 | 26109 |
| Total | 2291 | 7465 | 30.7 | 54373 | 23733 |

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|-----------------------------------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|------------------------------------------------------|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 131 | 887 | 14.8 | 839 | 6405 | |
| Skilled (level 3-5) | 631 | 2111 | 29.9 | 8475 | 13431 | |
| Highly skilled production (level 6-8) | 878 | 2675 | 32.8 | 18198 | 20719 | |
| Highly skilled supervision (level 9-12) | 607 | 1574 | 38.6 | 24204 | 39772 | |
| Total | 2247 | 7247 | 31 | 51716 | 23016 | |

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015

| Critical occupation | Beneficiary Profile | | | Cost | |
|-------------------------------------------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Administrative related, Permanent | 113 | 405 | 27.9 | 2726 | 24124 |
| Agriculture related, Permanent | 2 | 8 | 25 | 98 | 49000 |
| All artisans in the building metal machinery etc., Permanent | 28 | 97 | 28.9 | 544 | 19429 |
| Appraisers-valuers and related professionals, Permanent | 1 | 1 | 100 | 50 | 5000 |
| Artisan project and related superintendents, Permanent | 1 | 6 | 16.7 | 32 | 32000 |
| Auxiliary and related workers, Permanent | 112 | 434 | 25.8 | 1433 | 12795 |
| Biologists botanists zoologists & related professional, Permanent | 0 | 3 | 0 | 0 | 0 |
| Building and other property caretakers, Permanent | 21 | 86 | 24.4 | 156 | 7429 |
| Bus and heavy vehicle drivers, Permanent | 4 | 22 | 18.2 | 31 | 7750 |
| Cartographers and surveyors, Permanent | 3 | 8 | 37.5 | 98 | 32667 |
| Cartographic surveying and related technicians, Permanent | 7 | 18 | 38.9 | 137 | 19571 |
| Chemical and physical science technicians, Permanent | 1 | 10 | 10 | 17 | 17000 |
| Civil engineering technicians, Permanent | 36 | 121 | 29.8 | 979 | 27194 |
| Cleaners in offices workshops hospitals etc., Permanent | 24 | 155 | 15.5 | 167 | 6958 |
| Client inform clerks(switchboard information clerks), Permanent | 2 | 8 | 25 | 19 | 9500 |
| Communication and information related, Permanent | 3 | 28 | 10.7 | 75 | 25000 |
| Community development workers, Permanent | 12 | 80 | 15 | 272 | 22667 |
| Computer programmers., Permanent | 0 | 1 | 0 | 0 | 0 |
| Computer system designers and analysts., Permanent | 1 | 1 | 100 | 32 | 32000 |
| Economists, Permanent | 1 | 2 | 50 | 31 | 31000 |
| Electrical and electronics engineering technicians, Permanent | 2 | 5 | 40 | 64 | 32000 |
| Engineering sciences related, Permanent | 60 | 456 | 13.2 | 2965 | 49417 |
| Engineers and related professionals, Permanent | 28 | 119 | 23.5 | 1377 | 49179 |
| Environmental health, Permanent | 0 | 0 | 0 | 0 | 0 |
| Farm hands and labourers, Permanent | 1 | 65 | 1.6 | 6 | 6000 |

| Critical occupation | Beneficiary Profile | | | Cost | |
|--------------------------------------------------------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Farming forestry advisors and farm managers | 0 | 1 | 0 | 0 | 0 |
| Finance and economics related, Permanent | 41 | 165 | 24.8 | 985 | 24024 |
| Financial and related professionals, Permanent | 3 | 17 | 17.6 | 181 | 60333 |
| Financial clerks and credit controllers, Permanent | 102 | 424 | 24.1 | 1710 | 16765 |
| Food services aids and waiters, Permanent | 13 | 20 | 65 | 93 | 7154 |
| General legal administration & rel. professionals, Permanent | 1 | 18 | 10 | 40 | 40000 |
| Geologists geophysicists hydrologists & related professionals Permanent | 25 | 159 | 15.7 | 614 | 24560 |
| Head of department/chief executive officer, Permanent | 0 | 2 | 0 | 0 | 0 |
| Household and laundry workers, Permanent | 4 | 7 | 55 | 27 | 6750 |
| Household food and laundry services related, Permanent | 1 | 2 | 50 | 6 | 6000 |
| Housekeepers laundry and related workers, Permanent | 0 | 1 | 0 | 0 | 0 |
| Human resources & organisational development & relate professionals, Permanent | 9 | 36 | 25 | 175 | 19444 |
| Human resources clerks, Permanent | 45 | 150 | 30 | 716 | 15911 |
| Human resources related, Permanent | 50 | 115 | 43.5 | 1620 | 32400 |
| Information technology related, Permanent | 8 | 26 | 30.8 | 175 | 21875 |
| Language practitioners interpreters & other communications, Permanent | 7 | 32 | 21.9 | 145 | 20714 |
| Legal related, Permanent | 0 | 1 | 0 | 0 | 0 |
| Librarians and related professionals, Permanent | 1 | 4 | 25 | 9 | 9000 |
| Library mail and related clerks, Permanent | 6 | 40 | 15 | 94 | 15667 |
| Light vehicle drivers, Permanent | 5 | 49 | 10.2 | 51 | 10200 |
| Logistical support personnel, Permanent | 15 | 89 | 16.9 | 203 | 13533 |
| Material-recording and transport clerks, Permanent | 33 | 166 | 19.9 | 422 | 12788 |
| Mechanical engineering technicians, Permanent | 1 | 2 | 50 | 26 | 26000 |
| Messengers porters and deliverers, Permanent | 25 | 85 | 29.4 | 172 | 6880 |

| Critical occupation | Beneficiary Profile | | | Cost | |
|------------------------------------------------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Mining geology & geophysical & related technicians, Permanent | 4 | 20 | 20 | 89 | 22250 |
| Motor vehicle drivers, Permanent | 11 | 36 | 30.6 | 84 | 7636 |
| Motorised farm and forestry plant operators, Permanent | 1 | 40 | 2.5 | 8 | 8000 |
| Natural sciences related, Permanent | 76 | 275 | 27.5 | 2511 | 33039 |
| Nature conservation and oceanographical related technicians, Permanent | 1 | 4 | 25 | 15 | 15000 |
| Other administrative & related clerks and organisers, Permanent | 129 | 482 | 26.8 | 1716 | 13302 |
| Other administrative policy and related officers, Permanent | 31 | 96 | 32.3 | 673 | 21710 |
| Other information technology personnel., Permanent | 4 | 8 | 50 | 98 | 24500 |
| Other machine operators, Permanent | 0 | 2 | 0 | 0 | 0 |
| Other occupations, Permanent | 923 | 1016 | 90.8 | 27176 | 29443 |
| Photographic lithographic and related workers, Permanent | 1 | 1 | 100 | 22 | 22000 |
| Physicists, Permanent | 0 | 1 | 0 | 0 | 0 |
| Quantity surveyors & related professional, Permanent | 0 | 1 | 0 | 0 | 0 |
| Regulatory inspectors, Permanent | 1 | 22 | 4.5 | 27 | 27000 |
| Risk management and security services, Permanent | 2 | 6 | 33.3 | 48 | 24000 |
| Road workers, Permanent | 1 | 10 | 10 | 6 | 6000 |
| Safety health and quality inspectors, Permanent | 3 | 10 | 30 | 45 | 15000 |
| Secretaries & other keyboard operating clerks, Permanent | 40 | 149 | 26.8 | 671 | 16775 |
| Security guards, Permanent | 4 | 40 | 10 | 28 | 7000 |
| Security officers, Permanent | 1 | 137 | 0.7 | 27 | 27000 |
| Senior managers, Permanent | 10 | 117 | 8.5 | 645 | 64500 |
| Social sciences related, Permanent | 13 | 54 | 24.1 | 373 | 28692 |
| Social work and related professionals, Permanent | 0 | 4 | 0 | 0 | 0 |
| Statisticians and related professionals, Permanent | 0 | 1 | 0 | 0 | 0 |
| Trade labourers, Permanent | 160 | 1011 | 15.8 | 1122 | 7013 |
| Trade related, Permanent | 0 | 1 | 0 | 0 | 0 |
| Trade/industry advisers & other related profession, Permanent | 0 | 4 | 0 | 0 | 0 |
| Water plant and related operators, Permanent | 16 | 167 | 9.6 | 190 | 11875 |
| Total | 2291 | 7465 | 30.7 | 54372 | 23733 |

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|------------------------------------------------------|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 23 | 117 | 19.6 | 1 304 | 56 696 | 1.2 |
| Band B | 16 | 30 | 53 | 892 | 55 750 | 1.4 |
| Band C | 4 | 11 | 36 | 321 | 80 250 | 3.3 |
| Band D | 1 | 2 | 50 | 141 | 141 000 | 1.4 |
| Total | 44 | 160 | 27.5 | 2658 | 60409.1 | 1.4 |

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015

| Salary band | 01 April 2014 | | 31 March 2015 | | Change | |
|----------------------------------------|---------------|------------|---------------|------------|-----------|------------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower skilled | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Lev. 6-8) | 3 | 14.3 | 3 | 5.3 | 0 | 0 |
| Highly skilled supervision (Lev. 9-12) | 10 | 47.6 | 12 | 21.1 | 2 | 5.6 |
| Senior management (Levels 13-16) | 2 | 9.5 | 2 | 3.5 | 0 | 0 |
| Contract (level 6-8) | 1 | 4.8 | 1 | 1.8 | 0 | 0 |
| Contract (level 9-12) | 4 | 19 | 38 | 66.7 | 34 | 94.4 |
| Contract (level 13-16) | 1 | 4.8 | 1 | 1.8 | 0 | 0 |
| Total | 21 | 100 | 57 | 100 | 36 | 100 |

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015

| Major occupation | 01 April 20YY | | 31 March 20ZZ | | Change | |
|------------------------------------------|---------------|------------|---------------|------------|-----------|------------|
| | Number | % of total | Number | % of total | Number | % Change |
| Administrative office workers | 2 | 9.5 | 2 | 3.5 | 0 | 0 |
| Information technology personnel | 1 | 4.8 | 1 | 1.8 | 0 | 0 |
| Other occupations | 2 | 9.5 | 2 | 3.5 | 0 | 0 |
| Professionals and managers | 15 | 71.4 | 51 | 89.5 | 36 | 100 |
| Technicians and associated professionals | 1 | 4.8 | 1 | 1.8 | 0 | 0 |
| Total | 21 | 100 | 57 | 100 | 36 | 100 |

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2014 to 31 December 2014

| 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) |
|-------------------------------------------|--------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2) | 3965 | 89.5 | 520 | 10.2 | 8 | 1 608 |
| Skilled (levels 3-5) | 11654 | 91.9 | 1199 | 23.4 | 10 | 5 343 |
| Highly skilled production (levels 6-8) | 15882 | 82.7 | 1872 | 36.6 | 8 | 13 742 |
| Highly skilled supervision (levels 9 -12) | 8240 | 83.4 | 1067 | 20.9 | 8 | 13 477 |
| Top and Senior management (levels 13-16) | 817 | 84.5 | 134 | 2.6 | 6 | 2 867 |
| Contract (Levels 3-5) | 520 | 62.5 | 133 | 2.6 | 4 | 325 |
| Contract (Levels 6-8) | 609 | 69 | 131 | 2.6 | 5 | 562 |
| Contract (Levels 9-12) | 329 | 71.4 | 58 | 1.1 | 6 | 535 |
| Contract (Levels 13-16) | 4 | 100 | 2 | 0 | 2 | 14 |
| Total | 42020 | 85.6 | 5116 | 100 | 8 | 38473 |

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

| 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) |
|------------------------------------------|-------------|-----------------------------------|--------------------------------------------|---------------------------------------------|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | 627 | 100 | 14 | 11.4 | 45 | 263 |
| Skilled (Levels 3-5) | 1025 | 100 | 29 | 23.6 | 35 | 567 |
| Highly skilled production (Levels 6-8) | 1484 | 100 | 58 | 47.2 | 26 | 1 444 |
| Highly skilled supervision (Levels 9-12) | 871 | 100 | 21 | 17.1 | 41 | 1 701 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| Contract (Levels 3-5) | 16 | 100 | 1 | 0.8 | 16 | 10 |
| Total | 4023 | 100 | 123 | 100 | 33 | 3985 |

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

Table 3.10.3 Annual Leave for the period 1 January 2014 to 31 December 2014

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|-----------------------------------------|------------------|----------------------------------------|----------------------|
| Lower skilled (Levels 1-2) | 17486.25 | 914 | 19 |
| Skilled Levels 3-5) | 46660.81 | 1982 | 24 |
| Highly skilled production (Levels 6-8) | 59429.75 | 2531 | 23 |
| Highly skilled supervision(Levels 9-12) | 34897.36 | 1509 | 23 |
| Senior management (Levels 13-16) | 5237 | 232 | 23 |
| Contract (Levels 1-2) | 3 | 1 | 3 |
| Contract (Levels 3-5) | 2441 | 252 | 10 |
| Contract (Levels 6-8) | 3252 | 238 | 14 |
| Contract (Levels 9-12) | 1618 | 108 | 15 |
| Contract (Levels 13-16) | 84 | 12 | 7 |
| Not Available | 33 | 11 | 3 |
| Total | 171142.17 | 7790 | 22 |

Table 3.10.4 Capped leave for the period 1 January 2014 to 31 December 2014

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2022 |
|-----------------------------------------|----------------------------------|----------------------------------------|-------------------------------------------|-------------------------------------------------------|
| Lower skilled (Levels 1-2) | 3 | 1 | 3 | 55 |
| Skilled Levels 3-5) | 162 | 31 | 5 | 82 |
| Highly skilled production (Levels 6-8) | 198 | 39 | 5 | 77 |
| Highly skilled supervision(Levels 9-12) | 100 | 23 | 4 | 70 |
| Senior management (Levels 13-16) | 43 | 6 | 7 | 65 |
| Total | 506 | 100 | 5 | 75 |

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

Table 3.10.5 Leave payouts for the period 1 April 2014 and 31 March 2015

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---------------------------------------------------------------------------------|----------------------|---------------------|------------------------------|
| Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle | 472 | 18 | 26222 |
| Capped leave payouts on termination of service for 2014/15 | 18 895 | 372 | 50793 |
| Current leave payout on termination of service for 2014/15 | 948 | 98 | 9673 |
| Total | 20315 | 488 | 41629 |

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 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 |
|------------------------------------------------------------------------------------------------------------|------------------------------------|
| None | N/A |

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

| Question | Yes | No | Details, if yes |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | X | | Mr Sam Moyi (Director: Organisational Development) |
| 2 Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | X | | 2 in national Office, and 1 coordinator for each regional office. R7m |
| 3 Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | X | | HIV, TB & AIDS management; Health Promotion, Psycho-Social Services support and referrals; Policy development; EHWP marketing and promotion. |
| 4 Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | X | | The proposed names of the new HIV & AIDS committee members have been sent for approval. |
| 5 Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | X | | The HIV & AIDS policy reviewed to include an element of TB Management. Policy approved by DG in April 2014. |
| 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. | X | | Policy protects HIV+ employees from discrimination. Disciplinary action to be taken against those who disregard this section of the policy. |
| 7 Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | X | | In the absence of a contracted EHWP service provider, employees are encouraged to know their HIV status during wellness days and HIV& AIDS& TB-related campaigns |
| 8 Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | X | | Feedback sessions after wellness days, campaigns and health talks |

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2014 and 31 March 2015

| | |
|----------------------------------------------|-------------|
| Total number of Collective agreements | None |
|----------------------------------------------|-------------|

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015

| Outcomes of disciplinary hearings | Number | % of total |
|------------------------------------------|---------------|-------------------|
| Correctional counselling | | |
| Verbal warning | | |
| Written warning | | |
| Final written warning | 24 | 53% |
| Suspended without pay | 12 | 26% |
| Fine | | |
| Demotion | | |
| Dismissal | 6 | 13% |
| Not guilty | 2 | 4% |
| Case withdrawn | 2 | 4% |
| Total | 46 | 100% |

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015

| Type of misconduct | Number | % of total |
|---------------------------|---------------|-------------------|
| Theft | 6 | 13% |
| Absenteeism | 6 | 13% |
| Fraud | 3 | 6% |
| Gross dishonesty | 5 | 11% |
| Mismanagement of funds | 5 | 11% |
| Contravention of policies | 10 | 22% |
| Misuse of state vehicle | 5 | 11% |
| Insubordination | 4 | 9% |
| Incapacity | 2 | 4% |
| Total | 46 | 100% |

Table 3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015

| Grievances | Number | % of Total |
|------------------------------------------|-----------|-------------|
| Number of grievances resolved | 23 | 38% |
| Number of grievances not resolved | 37 | 62% |
| Total number of grievances lodged | 60 | 100% |

Table 3.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015

| Disputes | Number | % of Total |
|----------------------------------------|-----------|-------------|
| Number of disputes upheld | 11 | 50% |
| Number of disputes dismissed | 11 | 50% |
| Total number of disputes lodged | 22 | 100% |

Table 3.12.6 Strike actions for the period 1 April 2014 and 31 March 2015

| | |
|---------------------------------------------------------------|------|
| Total number of persons working days lost | None |
| Total costs working days lost | |
| Amount recovered as a result of no work no pay (R'000) | |

Table 3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

| | |
|----------------------------------------------------|-----------------------|
| Number of people suspended | 0 |
| Number of people who's suspension exceeded 30 days | 12 |
| Average number of days suspended | 174 |
| Cost of suspension(R'000) | R 1 150 967.55 |

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2014 and 31 March 2015

| Occupational category | Gender | Number of employees as at 1 April 20YY | Training needs identified at start of the reporting period | | | |
|--------------------------------------------|--------|----------------------------------------|------------------------------------------------------------|-----------------------------------------|-------------------------|-------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 60 | | 196 | 47 | 243 |
| | Male | 86 | | 250 | 29 | 279 |
| Professionals | Female | 680 | | 230 | 26 | 256 |
| | Male | 1058 | | 307 | 49 | 356 |
| Technicians and associate professionals | Female | 529 | | 198 | 22 | 220 |
| | Male | 865 | | 307 | 59 | 366 |
| Clerks | Female | 847 | | 363 | 13 | 376 |
| | Male | 991 | | 317 | 9 | 326 |
| Service and sales workers | Female | | | | | |
| | Male | | | | | |
| Skilled agriculture and fishery workers | Female | | | | | |
| | Male | | | | | |
| Craft and related trades workers | Female | | | | | |
| | Male | | | | | |
| Plant and machine operators and assemblers | Female | 265 | | 4 | 0 | 4 |
| | Male | 1100 | | 24 | 17 | 41 |
| Elementary occupations | Female | 286 | | 34 | | 34 |
| | Male | 593 | | 169 | | 169 |
| Sub Total | Female | 2667 | | 100 | | 100 |
| | Male | 4693 | | 451 | | 451 |
| Total | | 7360 | | 2949 | 271 | 3221 |

Table 3.13.2 Training provided for the period 1 April 2014 and 31 March 2015

| Occupational category | Gender | Number of employees as at 1 April 20YY | Training provided within the reporting period | | | |
|--------------------------------------------|--------|----------------------------------------|-----------------------------------------------|-----------------------------------------|-------------------------|-------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 42 | | 196 | 47 | 243 |
| | Male | 69 | | 250 | 29 | 279 |
| Professionals | Female | 519 | | 230 | 26 | 256 |
| | Male | 715 | | 307 | 49 | 356 |
| Technicians and associate professionals | Female | 648 | | 198 | 22 | 220 |
| | Male | 818 | | 307 | 59 | 366 |
| Clerks | Female | 966 | | 363 | 13 | 376 |
| | Male | 453 | | 317 | 9 | 326 |
| Service and sales workers | Female | 49 | | | | |
| | Male | 171 | | | | |
| Skilled agriculture and fishery workers | Female | 0 | | | | |
| | Male | 0 | | | | |
| Craft and related trades workers | Female | 2 | | | | |
| | Male | 110 | | | | |
| Plant and machine operators and assemblers | Female | 27 | | 4 | 0 | 4 |
| | Male | 305 | | 24 | 17 | 41 |
| Elementary occupations | Female | 543 | | 34 | | 34 |
| | Male | 1837 | | 169 | | 169 |
| Sub Total | Female | 2796 | | 100 | | 100 |
| | Male | 4478 | | 451 | | 451 |
| Total | | 7274 | | 2949 | 271 | 3221 |

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015

| Nature of injury on duty | Number | % of total |
|---------------------------------------|------------|------------|
| Required basic medical attention only | 157 | 100 |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 157 | 100 |

3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- a) The rendering of expert advice;
- b) The drafting of proposals for the execution of specific tasks; and
- c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------|------------------------|
| Appointment of a Professional Service Provider for Environmental impact assessment for the Development of the Foxwood DAM | 18 | 36 Months | 2 220 681.00 |
| Appointment of a professional service provider for the determination of resource quality objectives in the Mokolo/ Matlabas Catchment and crocodile (west) and Marico water management area. | 8 | 18 Months | 2 890 573.00 |
| Appoint a professional service provider for review of the master systems plan and ICT strategy for the department of water affairs. | 11 | 6 Months | 2 306 610.00 |
| Appointment of a professional service provider for the rollout of the establishment of Catchment Management Agencies (CMAs) in South Africa | 16 | 24 Months | 9 998 946.00 |
| Appoint of a professional services provider to conduct a brand audit of 58 identified dam | 4 | 12 Months | 1020 000.00 |
| Appointment of a professional service provider to provide business intelligence support to the branch regulation. | 29 | 6 Months | 14 231 851.00 |
| Appointment of a professional service provider (PSP) for determination, review, and implementation of the reserve in the Olifants/ Letaba system | 15 | 20 Months | 4 255 312.20 |
| Appointment professional services provider to apply relevant methods for groundwater and surface water interaction for protection of the water resources in the Upper Vaal catchment | 14 | 12 Months | 1 862 490.00 |

| Total number of projects | Total individual consultants | Total duration Work days | Total contract value in Rand |
|--------------------------|------------------------------|--------------------------|------------------------------|
| 8 | 115 | 134 Months | 19 279 300.00 |

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 20ZZ

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------------------------------------------|
| Appointment of a Professional Service Provider for Environmental impact assessment for the Development of the Foxwood DAM | 0 | | 10 |
| Appointment of a professional service provider for the determination of resource quality objectives in the Mokolo/ Matlabas Catchment and crocodile (west) and Marico water management area. | 0 | | 4 |
| Appoint a professional service provider for review of the master systems plan and ICT strategy for the department of water affairs. | 32.80% | | 6 |
| Appointment of a professional service provider for the rollout of the establishment of Catchment Management Agencies (CMAs) in South Africa | 0 | | 10 |
| Appoint of a professional services provider to conduct a brand audit of 58 identified dam | 100% | | 4 |
| Appointment of a professional service provider to provide business intelligence support to the branch regulation. | 0% | | 16 |
| Appointment of a professional service provider (PSP) for determination, review, and implementation of the reserve in the Olifants/ Letaba system | 3.40% | | 7 |
| Appointment professional services provider to apply relevant methods for groundwater and surface water interaction for protection of the water resources in the Upper Vaal catchment | 3.40% | | 9 |

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015

| Salary band | Number of applications received | Number of applications referred to the MPSA | Number of applications supported by MPSA | Number of packages approved by department |
|-----------------------------------------|---------------------------------|---------------------------------------------|------------------------------------------|-------------------------------------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled Levels 3-5) | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 0 | 0 | 0 | 0 |
| Highly skilled supervision(Levels 9-12) | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 |

PART E

**MAIN ACCOUNT
FINANCIAL INFORMATION**



MAIN ACCOUNT

1 REPORT OF THE AUDIT COMMITTEE ON THE FINANCIAL STATEMENTS FOR THE DEPARTMENT OF WATER AND SANITATION (VOTE 42)

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act No. 29 of 1999 and Treasury Regulation 3.1.13. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

The Audit Committee has considered the results of the annual financial statements audit for the period under review for the Department of Water and Sanitation (Vote 42).

The Effectiveness of Internal Control

Management has committed to improve the system of internal control during the year under review to ensure general improvement of the internal control with specific emphasis to address the issues which resulted in qualified audit opinion in the previous financial year. Significant progress has been made in this regard though some weaknesses reported previously have not been fully and satisfactorily addressed.

The Committee raised concerns about management capacity and capability to systematically resolve the weaknesses in internal control system however management has given the Committee an undertaking that the issues will be resolved under the leadership of the newly appointed Director-General. Management has also not adequately resourced certain critical functions like Internal Audit and Risk Management. This matter is now receiving attention.

In-Year Management and Monthly/Quarterly Report

The Committee has considered the quarterly management reports including performance information throughout the year as part of reviewing internal controls. The Department is also required by the PFMA to submit these reports to the National Treasury on regular intervals.

Internal Audit

The Internal Audit Chief Directorate is responsible for independent and objective evaluation of the department's system of internal control at a detailed level and to bring any significant internal control risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.

The Committee noted with concern the prolonged period for filling of Internal Audit vacancies which results non achievement of the Audit Plan as approved by the Audit Committee.

Matters requiring specific mention

The committee noted the Auditor-General's qualified audit opinion on the financial statements of the Main Account (Vote 42). The Committee also noted that the basis of qualification has improved from three issues in 2013/2014 to only two interrelated issues in 2014/2015 financial year which mainly relates to Regional Bulk Infrastructure transactions. From our interaction with Management as well as the Auditor General, the Committee derived comfort that management is on track in resolving the qualification issues. The following are the main basis of qualification as identified by the Auditor-General:

- 1) **Commitments:** The department did not have adequate systems in place to maintain records of Regional Bulk Infrastructure Projects (RBIG) commitments where the procurement of goods and services have been approved and/or contracted, but where no delivery has taken place at year end, which resulted in RBIG commitments being misstated, accruals.
- 2) **Accruals:** The department did not have adequate systems in place to maintain records of accruals where goods and services have been received or rendered, but not yet paid for at year end, which resulted in accruals being misstated.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department for submission to the Auditor General for audit purposes however the audited financial statements were not presented to the Committee for review.

Auditor-General's Report

The Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements.

Acknowledgements

The Committee would like to express its gratitude to the Minister for giving direction to the Department and for ensuring stability at top management level, we also thank management and staff under the leadership of the DG for supporting the Committee in execution of our responsibility. We also want to thank the Auditor General, Internal Audit and Risk Management for constructive inputs in the working of the Committee.



Justice Motha
Chairperson of the Audit Committee
Department of Water and Sanitation
06 August 2015

2 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO 42: DEPARTMENT OF WATER AND SANITATION

REPORT ON THE FINANCIAL STATEMENTS

Introduction

- 1 I have audited the financial statements of the Department of Water and Sanitation set out on pages 203 to 332, which comprise the appropriation statement, the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

- 2 The accounting officer is responsible for the preparation and fair presentation of financial statements in accordance with Modified Cash Standards prescribed by the National Treasury, the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

- 3 My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified audit opinion

Commitments

- 6 The department did not have adequate systems in place to maintain records of Regional Bulk Infrastructure Projects (RBIG) where the procurement of goods and services have been approved and/or contracted, but where no delivery has taken place at year end, which resulted in RBIG commitments being misstated by R1.4 billion for the restatement of the corresponding figure for RBIG commitments. The restatement was made in order to rectify a prior year misstatement. I was unable to confirm the restatement by alternative means. In addition, I was unable to obtain sufficient appropriate audit evidence for the corresponding amounts disclosed as RBIG commitments in note 22 to the financial statements and I could not confirm the disclosure by alternative means. Consequently I was unable to determine whether any further adjustments to current year RBIG commitments stated at R36 billion in the financial statements were necessary.
- 7 The department did not have adequate systems in place to maintain records of RBIG, Municipal Water Infrastructure Grants (MWIG) and Rural Households Infrastructure Grants (RHIG) commitments where the procurement of goods and services have been approved and/or contracted, but where no delivery has taken place at year end, which resulted in RBIG, MWIG and RHIG commitments being misstated by R2 billion. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as RBIG, MWIG and RHIG commitments in note 22 to the financial statements and I could not confirm the disclosure by alternative means. Consequently I was unable to determine whether any further adjustments to RBIG, MWIG and RHIG commitments stated at R35 billion in the financial statements were necessary.

Accruals

- 8 The system of controls to maintain records of goods and services received but not yet paid for at the end of the financial year, relating to RBIG, MWIG and RHIG was inadequate and there were no satisfactory audit procedures that I could perform to obtain reasonable assurance that all outstanding invoices for RBIG, MWIG and RHIG have been included in accruals. Consequently I was unable to determine whether any further adjustments to accruals stated at R1.4 billion (2014: R1.1 billion) in note 23 to the financial statements was necessary.

Qualified opinion

- 9 In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Water and Sanitation as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standards prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matter

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

Significant uncertainties

- 11 With reference to note 21 to the financial statements, the department is a defendant in a number of lawsuits. The ultimate outcome of these matters cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

- 12 As disclosed in note 36 to the financial statements, the corresponding figures for 2013-14 have been restated as a result of errors discovered during 2014-15 in the financial statements of the Department of Water and Sanitation at, and for the year ended 31 March, 2014.

Material underspending of the vote

- 13 As disclosed in the appropriation statement, the department had a underspending of the vote by 15% (R2 03 billion).

Additional matter paragraph

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

Unaudited supplementary schedules

- 15 The supplementary information set out on pages 310 to 332 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 16 In accordance with the Public Audit Act of South Africa (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have the responsibility to report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as internal control. I performed tests to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

- 17 I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:
- Programme 2: Water Sector Management on pages 36 to 50
 - Programme 4: Regional Implementation and Support on pages 51 to 74
 - Programme 5: Water Sector Regulation on page 75 to 87

- 18 I evaluated the reported performance information against the overall criteria of usefulness and reliability.
- 19 I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
- 20 I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 21 The material findings in respect of the selected programmes are as follows:

Water Sector Management

- 22 I did not identify any material findings on the usefulness and reliability of the reported performance information for the Water Sector Management programme.

Regional Implementation and Support

Usefulness of reported performance information

- 23 Performance targets should be specific in clearly identifying the nature and required level of performance as required by the FMPPI. A total of 55% of the targets were not specific.
- 24 Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use as required by the FMPPI. A total of 68% of the indicators were not well defined.
- 25 This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems and processes and adequate technical indicator descriptions.

Reliability of reported performance information

- 26 The FMPPI requires the department to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of monitoring of the completeness of source documentation in support of actual achievements and frequent review of the validity of reported achievements against source documentation.

Water Sector Regulation

Usefulness of reported performance information

- 27 Performance targets must be specific in clearly identifying the nature and required level of performance as required by the FMPPI. A total of 70% of the targets were not specific.
- 28 This was because management did not adhere to the requirements of the FMPPI due to a lack of proper systems, processes and adequate technical indicator descriptions.

Reliability of reported performance information

- 29 The FMPPI requires the department to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of monitoring of the completeness of source documentation in support of actual achievements and frequent review of the validity of reported achievements against source documentation.

Additional matter

- 30 I draw attention to the following matter:

Achievement of planned targets

- 31 Refer to the annual performance report on pages 30 to 117 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

32 I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for water sector management, regional implementation and support and water sector regulation. As management subsequently corrected only some of the misstatements, I identified material findings on the usefulness and reliability of the reported performance information.

Compliance with legislation

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

Strategic planning and performance management

34 The accounting officer did not ensure that the department maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the department's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required by section 38(1)(a)(i) and (b) of the PFMA.

Annual financial statements

35 The financial statements submitted for auditing were not supported by full and proper records as required by section 40(1)(a) of the PFMA. Material misstatements of commitments, accruals, irregular expenditure, immovable tangible assets and contingent liabilities identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

36 Some goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4.

37 The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and Treasury Regulations 16A6.3(b).

Human resource management and compensation

38 Some employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/VII/D.8.

Expenditure management

39 Effective steps were not taken to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

Asset management

40 Proper control systems for the maintenance of the asset register and safeguarding of assets were not implemented, as required by section 38(1) (d) of the PFMA and Treasury Regulation 10.1.1(a) and 10.1.2

Internal control

41 I considered internal control relevant to my audit of the annual financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

42 There was ineffective review and monitoring of controls in place to ensure, accurate and valid financial and performance information reported.

- 43 There was inadequate monitoring of the performance of the system of internal controls regarding procurement and contract management to prevent irregular expenditure.

Financial and performance management

- 44 Proper record keeping was not implemented in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting. The poor record keeping for RBIG and MWIG commitments and accruals was also affected by the poor internal controls in Municipalities.
- 45 A lack of regular review and monitoring resulted in non-compliance with laws and regulations.

Governance

- 46 Actions are not taken in a timely manner to address the risks relating to the achievement of complete and accurate financial and performance reporting as well as compliance with laws and regulations.

Other reports

Investigations completed during the year

- 47 Several investigations were conducted by the internal audit unit at the request of the accounting officer and the Minister arising from allegations against officials of the department. The investigations resulted in recommendations for disciplinary and/or criminal proceedings to be instituted against the department officials concerned.

Investigations in progress

- 48 Several investigations are being conducted by the internal audit unit at the request of the accounting officer and the Minister arising from allegations against officials of the department.

Performance audit

- 49 There is a performance audit to evaluate the effectiveness of the basic water infrastructure programme in progress at the department. The audit is still on-going.

Auditor-General

Pretoria
31 July 2015



3 ANNUAL FINANCIAL STATEMENTS OF VOTE 42 FOR THE YEAR ENDED 31 MARCH 2015

3.1 Appropriation statement

| APPROPRIATION PER PROGRAMME | | | | | | | | | | |
|---------------------------------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|--|
| Programme | 2014/15 | | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| 1 Administration | 1 030 430 | - | (74 147) | 956 283 | 888 186 | 68 097 | 92.9% | 916 273 | 907 440 | |
| 2 Water Sector Management | 546 822 | - | (43 181) | 503 641 | 468 638 | 35 003 | 93.1% | 430 268 | 430 255 | |
| 3 Water Infrastructure Management | 2 919 422 | - | - | 2 919 422 | 2 919 422 | - | 100.0% | 2 565 203 | 2 558 847 | |
| 4 Regional Implementation and Support | 8 941 110 | - | 129 720 | 9 070 830 | 7 178 148 | 1 892 682 | 79.1% | 6 223 435 | 6 130 225 | |
| 5 Water Sector Regulation | 177 161 | - | (14 062) | 163 099 | 129 576 | 33 523 | 79.4% | 213 422 | 192 595 | |
| 6 International Water Cooperation | 32 456 | - | 1 670 | 34 126 | 32 712 | 1 414 | 95.9% | 26 953 | 26 880 | |
| TOTAL | 13 647 401 | - | - | 13 647 401 | 11 616 682 | 2 030 719 | 85.1% | 10 375 554 | 10 246 242 | |
| Reconciliation with statement of financial performance | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| ADD | | | | | | | | | | |
| Departmental receipts | | | | 15 333 | | | | 65 950 | | |
| Aid assistance | | | | | | | | 7 088 | | |
| | | | | | | | | | | |
| Actual amounts per statement of financial performance (total revenue) | | | | 13 662 734 | | | | 10 448 592 | | |
| | | | | | | | | | | |
| ADD | | | | | | | | | | |
| Aid assistance | | | | | | | | | 7 088 | |
| | | | | | | | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | | | | 11 616 682 | | | | 10 253 330 | |

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|-----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | 2013/14 | | | | Actual expenditure |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 3 058 458 | (64 520) | (146 820) | 2 847 118 | 2 595 598 | 251 520 | 91.2% | 2 546 497 | 2 473 267 |
| Compensation of employees | 1 388 032 | (10 435) | (69 875) | 1 307 722 | 1 275 705 | 32 017 | 97.6% | 1 141 346 | 1 112 336 |
| Salaries and wages | 1 213 374 | (18 376) | (53 049) | 1 141 949 | 1 121 599 | 20 350 | 98.2% | 998 157 | 973 651 |
| Social contributions | 174 658 | 7 941 | (16 826) | 165 773 | 154 106 | 11 667 | 93.0% | 143 189 | 138 685 |
| Goods and services | 1 670 286 | (54 085) | (77 951) | 1 538 250 | 1 318 812 | 219 438 | 85.7% | 1 405 049 | 1 360 873 |
| Administrative fees | 12 958 | (2 532) | (508) | 9 918 | 5 434 | 4 484 | 54.8% | 7 729 | 7 337 |
| Advertising | 34 712 | 5 109 | 720 | 40 541 | 38 214 | 2 327 | 94.3% | 22 038 | 20 745 |
| Minor assets | 13 412 | 5 267 | 7 | 18 686 | 5 978 | 12 708 | 32.0% | 5 512 | 4 645 |
| Audit costs: External | 38 755 | (8 237) | (3 500) | 27 018 | 22 955 | 4 063 | 85.0% | 23 151 | 22 958 |
| Bursaries: Employees | 4 255 | (495) | - | 3 760 | 3 382 | 378 | 89.9% | 2 471 | 2 471 |
| Catering: Departmental activities | 14 275 | (2 143) | (394) | 11 738 | 7 199 | 4 539 | 61.3% | 9 953 | 9 621 |
| Communication | 44 618 | (520) | 557 | 44 655 | 43 761 | 894 | 98.0% | 37 390 | 36 808 |
| Computer services | 162 697 | 4 447 | (37 068) | 130 076 | 127 068 | 3 008 | 97.7% | 126 501 | 125 789 |
| Consultants: Business and advisory services | 220 049 | (9 317) | (13 945) | 196 787 | 134 984 | 61 803 | 68.6% | 204 109 | 183 793 |
| Infrastructure and planning services | 179 315 | (32 379) | 1 467 | 148 403 | 141 218 | 7 185 | 95.2% | 169 057 | 167 953 |
| Laboratory services | 6 210 | (258) | (580) | 5 372 | 3 473 | 1 899 | 64.7% | 3 627 | 3 525 |
| Legal services | 6 782 | (4 545) | 1 636 | 3 873 | 6 827 | (2 954) | 176.3% | 8 917 | 8 917 |
| Contractors | 158 355 | (17 175) | (3 668) | 137 512 | 132 751 | 4 761 | 96.5% | 107 994 | 106 023 |
| Agency and support / outsourced services | 68 979 | (11 165) | (473) | 57 341 | 55 710 | 1 631 | 97.2% | 37 021 | 31 442 |
| Entertainment | 1 936 | (867) | (100) | 969 | 168 | 801 | 16.2% | 567 | 539 |
| Fleet services | 1 490 | 69 | - | 1 559 | 1 724 | (165) | 110.6% | 1 028 | 1 028 |
| Inventory: Clothing material and supplies | 1 551 | 1 889 | - | 3 440 | 3 068 | 372 | 89.2% | 2 417 | 2 115 |
| Inventory: Farming supplies | 34 | - | - | 34 | 72 | (38) | 211.8% | 196 | 185 |

PART E: MAIN ACCOUNT FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE MAIN ACCOUNT (VOTE 42)

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Inventory: Food and food supplies | 414 | (113) | (35) | 266 | 117 | 149 | 44.4% | 809 | 777 |
| Inventory: Fuel, oil and gas | 5 003 | (2 184) | - | 2 819 | 1 869 | 950 | 66.3% | 3 363 | 3 357 |
| Inventory: Learner and teacher support material | 751 | (656) | - | 95 | 9 | 86 | 9.5% | - | - |
| Inventory: Materials and supplies | 7 182 | (304) | (4) | 6 874 | 8 110 | (1 236) | 118.0% | 5 201 | 5 153 |
| Inventory: Medical supplies | 198 | 69 | - | 267 | 142 | 125 | 53.2% | 57 | 39 |
| Inventory: Medicine | 14 | (14) | - | - | - | - | - | - | - |
| Inventory: Other supplies | 7 631 | 11 054 | (700) | 17 985 | 16 417 | 1 568 | 91.3% | 6 099 | 6 073 |
| Consumable supplies | 8 143 | 4 034 | (168) | 12 009 | 7 121 | 4 888 | 59.3% | 5 964 | 5 464 |
| Consumable: Stationery, printing and office supplies | 23 862 | 3 774 | (334) | 27 302 | 15 657 | 11 645 | 57.4% | 20 352 | 19 109 |
| Operating leases | 273 537 | (5 309) | (10 668) | 257 560 | 231 763 | 25 797 | 90.0% | 231 815 | 231 815 |
| Property payments | 84 104 | (4 231) | (3 000) | 76 873 | 52 907 | 23 966 | 68.8% | 67 120 | 67 051 |
| Transport provided: Departmental activity | 1 666 | (396) | - | 1 270 | 620 | 650 | 48.8% | 36 | 36 |
| Travel and subsistence | 225 477 | 13 407 | (11 835) | 227 049 | 203 636 | 23 413 | 89.7% | 234 214 | 230 345 |
| Training and development | 31 730 | (4 363) | 1 130 | 28 497 | 17 050 | 11 447 | 59.8% | 23 628 | 22 446 |
| Operating payments | 15 769 | 2 616 | 562 | 18 947 | 17 122 | 1 825 | 90.4% | 16 312 | 14 919 |
| Venues and facilities | 14 186 | (1 077) | 2 950 | 16 059 | 9 952 | 6 107 | 62.0% | 18 013 | 16 008 |
| Rental and hiring | 236 | 2 460 | - | 2 696 | 2 335 | 361 | 86.6% | 2 388 | 2 387 |
| Interest and rent on land | 140 | - | 1 006 | 1 146 | 1 082 | 64 | 94.4% | 102 | 58 |
| Interest | 64 | - | 1 035 | 1 099 | 1 035 | 64 | 94.2% | 1 | 1 |
| Rent on land | 76 | - | (29) | 47 | 47 | - | 100.0% | 101 | 57 |
| Transfers and subsidies | 4 563 949 | 500 | 26 540 | 4 590 989 | 4 588 799 | 2 190 | 100.0% | 3 943 930 | 3 913 942 |
| Provinces and municipalities | 1 033 707 | - | 18 012 | 1 051 719 | 1 051 353 | 366 | 100.0% | 1 024 240 | 1 022 773 |
| Provinces | - | - | 5 | 5 | 6 | (1) | 100.0% | 321 | 313 |

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|-----------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Provincial agencies and funds | - | - | 5 | 5 | 6 | (1) | 100.0% | 321 | 313 |
| Municipalities | 1 033 707 | - | 18 007 | 1 051 714 | 1 051 347 | 367 | 100.0% | 1 023 919 | 1 022 460 |
| Municipal bank accounts | 1 033 707 | - | 18 007 | 1 051 714 | 1 051 347 | 367 | 100.0% | 1 023 919 | 1 022 460 |
| Departmental agencies and accounts | 2 737 823 | 500 | 2 590 | 2 740 913 | 2 739 536 | 1 377 | 99.9% | 2 439 557 | 2 437 071 |
| Departmental agencies and accounts | 2 737 823 | 500 | 2 590 | 2 740 913 | 2 739 536 | 1 377 | 99.9% | 2 439 557 | 2 437 071 |
| Foreign governments and international organisations | 185 186 | - | - | 185 186 | 185 176 | 10 | 100.0% | 188 624 | 182 254 |
| Public corporations and private enterprises | 580 000 | - | - | 580 000 | 579 919 | 81 | 100.0% | 262 729 | 244 161 |
| Public corporations | 580 000 | - | - | 580 000 | 579 919 | 81 | 100.0% | 262 729 | 244 161 |
| Other transfers to public corporations | 580 000 | - | - | 580 000 | 579 919 | 81 | 100.0% | 262 729 | 244 161 |
| Non-profit institutions | 1 511 | - | 648 | 2 159 | 1 803 | 356 | 83.5% | 1 410 | 1 181 |
| Households | 25 722 | - | 5 290 | 31 012 | 31 012 | - | 100.0% | 27 370 | 26 502 |
| Social benefits | 1 412 | 1 196 | 4 848 | 7 456 | 7 457 | (1) | 100.0% | 10 376 | 9 508 |
| Other transfers to households | 24 310 | (1 196) | 442 | 23 556 | 23 555 | 1 | 100.0% | 16 994 | 16 994 |
| Payments for capital assets | 6 024 994 | 64 020 | 120 157 | 6 209 171 | 4 432 164 | 1 777 007 | 71.4% | 3 833 085 | 3 806 991 |

PART E: MAIN ACCOUNT FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE MAIN ACCOUNT (VOTE 42)

| APPROPRIATION PER ECONOMIC CLASSIFICATION | | | | | | | | | |
|-------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|------------------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Buildings and other fixed structures | 5 926 658 | 72 945 | 111 720 | 6 111 323 | 4 368 387 | 1 742 936 | 71.5% | 3 753 126 | 3 751 092 |
| Other fixed structures | 5 926 658 | 72 945 | 111 720 | 6 111 323 | 4 368 387 | 1 742 936 | 71.5% | 3 753 126 | 3 751 092 |
| Machinery and equipment | 92 178 | (8 925) | 848 | 84 101 | 53 493 | 30 608 | 63.6% | 79 277 | 55 218 |
| Transport equipment | 2 224 | 6 836 | 3 688 | 12 748 | 11 449 | 1 299 | 89.8% | 11 320 | 11 216 |
| Other machinery and equipment | 89 954 | (15 761) | (2 840) | 71 353 | 42 044 | 29 309 | 58.9% | 67 957 | 44 002 |
| Biological assets | - | - | - | - | - | - | - | 1 | - |
| Intangible assets | 6 158 | - | 7 589 | 13 747 | 10 284 | 3 463 | 74.8% | 681 | 681 |
| Payments for financial assets | - | - | 123 | 123 | 123 | - | 100.0% | 52 042 | 52 042 |
| TOTAL | 13 647 401 | - | - | 13 647 401 | 11 616 682 | 2 030 719 | 85.1% | 10 375 554 | 10 246 242 |

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | |
|---------------------------------|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|-----------------------------------------|---------------------|--------------------|
| Sub programme | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1 MINISTRY | 49 493 | - | (5 031) | 44 462 | 43 270 | 1 192 | 97.3% | 45 310 | 45 300 |
| 2 DEPARTMENTAL MANAGEMENT | 52 583 | - | (16 036) | 36 547 | 36 038 | 509 | 98.6% | 43 516 | 43 514 |
| 3 INTERNAL AUDIT | 26 439 | - | (5 400) | 21 039 | 20 185 | 854 | 95.9% | 18 240 | 18 237 |
| 4 CORPORATE SERVICES | 436 013 | - | (13 867) | 422 146 | 407 520 | 14 626 | 96.5% | 387 696 | 380 971 |
| 5 FINANCIAL MANAGEMENT | 154 127 | - | (21 813) | 132 314 | 127 475 | 4 839 | 96.3% | 162 203 | 160 110 |
| 6 OFFICE ACCOMMODATION | 311 775 | - | (12 000) | 299 775 | 253 698 | 46 077 | 84.6% | 259 308 | 259 308 |
| Total for sub programmes | 1 030 430 | - | (74 147) | 956 283 | 888 186 | 68 097 | 92.9% | 916 273 | 907 440 |

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 987 917 | - | (86 045) | 901 872 | 841 355 | 60 517 | 93.3% | 822 491 | 820 367 |
| Compensation of employees | 362 435 | - | (26 342) | 336 093 | 332 557 | 3 536 | 98.9% | 297 211 | 295 486 |
| Salaries and wages | 317 492 | (4 062) | (15 480) | 297 950 | 298 064 | (114) | 100.0% | 264 694 | 262 995 |
| Social contributions | 44 943 | 4 062 | (10 862) | 38 143 | 34 493 | 3 650 | 90.4% | 32 517 | 32 491 |
| Goods and services | 625 482 | - | (60 738) | 564 744 | 507 763 | 56 981 | 89.9% | 525 223 | 524 824 |
| Administrative fees | 2 230 | 342 | (21) | 2 551 | 2 127 | 424 | 83.5% | 2 403 | 2 400 |
| Advertising | 22 664 | 3 471 | (50) | 26 085 | 24 931 | 1 154 | 95.6% | 10 564 | 10 564 |
| Minor assets | 631 | 199 | 7 | 837 | 922 | (85) | 110.2% | 898 | 898 |
| Audit costs: External | 37 416 | (6 900) | (3 500) | 27 016 | 22 089 | 4 927 | 81.8% | 22 748 | 22 593 |
| Bursaries: Employees | 2 374 | (347) | - | 2 027 | 2 992 | (965) | 147.6% | 2 471 | 2 471 |
| Catering: Departmental activities | 1 302 | (194) | (34) | 1 074 | 684 | 390 | 63.7% | 1 268 | 1 268 |
| Communication | 12 983 | 885 | 919 | 14 787 | 15 121 | (334) | 102.3% | 11 653 | 11 653 |
| Computer services | 91 637 | (11 705) | (27 829) | 52 103 | 51 872 | 231 | 99.6% | 75 640 | 75 640 |
| Consultants: Business and advisory services | 19 645 | (2 778) | (8 627) | 8 240 | 11 297 | (3 057) | 137.1% | 26 992 | 26 992 |
| Legal services | 6 777 | (4 540) | 1 636 | 3 873 | 6 827 | (2 954) | 176.3% | 8 774 | 8 774 |
| Contractors | 28 604 | (7 505) | (3 008) | 18 091 | 20 051 | (1 960) | 110.8% | 12 218 | 12 218 |
| Agency and support / outsourced services | 4 036 | 14 459 | 473 | 18 022 | 21 394 | (3 372) | 118.7% | 2 480 | 2 480 |
| Entertainment | 357 | 2 | (82) | 277 | 102 | 175 | 36.8% | 286 | 286 |
| Fleet services | 4 | - | - | 4 | 278 | (274) | 6950.0% | 7 | 7 |
| Inventory: Clothing material and supplies | 100 | 100 | - | 200 | 66 | 134 | 33.0% | 85 | 85 |
| Inventory: Farming supplies | - | - | - | - | (1) | 1 | - | 22 | 11 |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | 622 | 622 |

PART E: MAIN ACCOUNT FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE MAIN ACCOUNT (VOTE 42)

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|----------|---------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Actual Expenditure | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | | | | R'000 | R'000 | Final Appropriation | | | | Final Appropriation | Actual expenditure |
| Inventory: Fuel, oil and gas | 17 | 5 | - | - | 22 | 20 | R'000 | R'000 | 90.9% | 45 | 45 |
| Inventory: Learner and teacher support material | 4 | - | - | - | 4 | - | - | 4 | - | - | - |
| Inventory: Materials and supplies | 15 | 299 | (1) | (1) | 313 | 204 | - | 109 | 65.2% | 147 | 141 |
| Consumable supplies | 5 369 | (503) | (28) | (28) | 4 838 | 3 469 | - | 1 369 | 71.7% | 2 499 | 2 123 |
| Consumable: Stationery, printing and office supplies | 5 882 | 1 697 | (227) | (227) | 7 352 | 5 277 | - | 2 075 | 71.8% | 6 299 | 6 299 |
| Operating leases | 262 822 | - | (10 655) | (10 655) | 252 167 | 228 523 | - | 23 644 | 90.6% | 227 028 | 227 028 |
| Property payments | 66 403 | (1 391) | (3 000) | (3 000) | 62 012 | 38 777 | - | 23 235 | 62.5% | 48 926 | 48 926 |
| Travel and subsistence | 39 433 | 10 331 | (8 295) | (8 295) | 41 469 | 34 466 | - | 7 003 | 83.1% | 42 583 | 42 738 |
| Training and development | 10 694 | 612 | 160 | 160 | 11 466 | 6 219 | - | 5 247 | 54.2% | 9 275 | 9 275 |
| Operating payments | 1 763 | 819 | (4) | (4) | 2 578 | 3 404 | - | (826) | 132.0% | 2 978 | 2 978 |
| Venues and facilities | 2 240 | 2 458 | 2 374 | 2 374 | 7 072 | 6 310 | - | 762 | 89.2% | 5 861 | 5 859 |
| Rental and hiring | 80 | 184 | - | - | 264 | 341 | - | (77) | 129.2% | 451 | 450 |
| Interest and rent on land | - | - | 1 035 | 1 035 | 1 035 | 1 035 | - | - | 100.0% | 57 | 57 |
| Interest | - | - | 1 035 | 1 035 | 1 035 | 1 035 | - | - | 100.0% | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - | 57 | 57 |
| Transfers and subsidies | 17 250 | - | 3 893 | 3 893 | 21 143 | 19 580 | - | 1 563 | 92.6% | 16 427 | 13 724 |
| Provinces and municipalities | - | - | 5 | 5 | 5 | 6 | - | (1) | 120.0% | 4 | 4 |
| Provinces | - | - | 3 | 3 | 3 | 4 | - | (1) | 133.3% | - | - |
| Provincial agencies and funds | - | - | 3 | 3 | 3 | 4 | - | (1) | 133.3% | - | - |
| Municipalities | - | - | 2 | 2 | 2 | 2 | - | - | 100.0% | 4 | 4 |
| Municipal bank accounts | - | - | 2 | 2 | 2 | 2 | - | - | 100.0% | 4 | 4 |
| Departmental agencies and accounts | 2 645 | - | 2 590 | 2 590 | 5 235 | 3 871 | - | 1 364 | 73.9% | 2 504 | 21 |

| PROGRAMME 1: ADMINISTRATION | | | | | | | | | | |
|-----------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | Final Appropriation | Actual Expenditure | R'000 | | | Final Appropriation | Actual expenditure |
| | | | | R'000 | R'000 | R'000 | | % | R'000 | R'000 |
| Departmental agencies (non-business entities) | 2 645 | - | 2 590 | 5 235 | 3 871 | 1 364 | 73.9% | | 2 504 | 21 |
| Non-profit institutions | 900 | - | - | 900 | 700 | 200 | 77.8% | | 740 | 519 |
| Households | 13 705 | - | 1 298 | 15 003 | 15 003 | - | 100.0% | | 13 179 | 13 180 |
| Social benefits | 412 | - | 863 | 1 275 | 1 275 | - | 100.0% | | 743 | 744 |
| Other transfers to households | 13 293 | - | 435 | 13 728 | 13 728 | - | 100.0% | | 12 436 | 12 436 |
| Payments for capital assets | 25 263 | - | 7 936 | 33 199 | 27 183 | 6 016 | 81.9% | | 25 313 | 21 307 |
| Machinery and equipment | 21 467 | - | 97 | 21 564 | 17 358 | 4 206 | 80.5% | | 25 178 | 21 172 |
| Transport equipment | 299 | 100 | 1 909 | 2 308 | 2 219 | 89 | 96.1% | | 2 050 | 2 046 |
| Other machinery and equipment | 21 168 | (100) | (1 812) | 19 256 | 15 139 | 4 117 | 78.6% | | 23 128 | 19 126 |
| Intangible assets | 3 796 | - | 7 839 | 11 635 | 9 825 | 1 810 | 84.4% | | 135 | 135 |
| Payments for financial assets | - | - | 69 | 69 | 69 | - | 100.0% | | 52 042 | 52 042 |
| Total | 1 030 430 | - | (74 147) | 956 283 | 888 186 | 68 097 | 92.9% | | 916 273 | 907 440 |

| 1.1 MINISTRY | 2014/15 | | | | | | | | | |
|--------------|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| | Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| | Current payments | 48 986 | - | (6 932) | 42 054 | 40 865 | 1 189 | 97.2% | 43 799 | 43 799 |
| | Compensation of employees | 24 528 | - | (1 639) | 22 889 | 22 889 | - | 100.0% | 22 890 | 22 890 |
| | Goods and services | 24 458 | - | (5 293) | 19 165 | 17 976 | 1 189 | 93.8% | 20 909 | 20 903 |
| | Transfers and subsidies | 2 | - | 31 | 33 | 32 | 1 | 97.0% | 6 | 4 |
| | Provinces and municipalities | - | - | 5 | 5 | 6 | (1) | 120.0% | 4 | 4 |
| | Departmental agencies and accounts | 2 | - | - | 2 | - | 2 | - | 2 | - |
| | Households | - | - | 26 | 26 | 26 | - | 100.0% | - | - |
| | Payments for capital assets | 505 | - | 1 870 | 2 375 | 2 374 | 1 | 100.0% | 1 505 | 1 503 |
| | Machinery and equipment | 505 | - | 1 870 | 2 375 | 2 374 | 1 | 100.0% | 1 505 | 1 503 |
| | Payments for financial assets | | | | | | | | | |
| | Total | 49 493 | - | (5 031) | 44 462 | 43 270 | 1 192 | 97.3% | 45 310 | 45 300 |

| 1.2 DEPARTMENTAL MANAGEMENT | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 50 207 | - | (16 421) | 33 786 | 33 784 | 2 | 100.0% | 42 411 | 42 411 |
| Compensation of employees | 26 529 | - | (5 658) | 20 871 | 20 870 | 1 | 100.0% | 17 872 | 17 872 |
| Goods and services | 23 678 | - | (10 763) | 12 915 | 12 914 | 1 | 100.0% | 24 539 | 24 539 |
| Transfers and subsidies | 2 | - | 2 175 | 2 177 | 1 673 | 504 | 76.8% | 17 | 15 |
| Provinces and municipalities | | | | | | | | | |
| Departmental agencies and accounts | 2 | - | 2 169 | 2 171 | 1 667 | 504 | 76.8% | 2 | - |
| Households | - | - | 6 | 6 | 6 | - | 100.0% | 15 | 15 |
| Payments for capital assets | 2 374 | - | (1 790) | 584 | 581 | 3 | 99.5% | 1 088 | 1 088 |
| Machinery and equipment | 1 478 | - | (894) | 584 | 581 | 3 | 99.5% | 1 088 | 1 088 |
| Software and other intangible assets | 896 | - | (896) | - | - | - | - | - | - |
| Payments for financial assets | | | | | | | | | |
| Total | 52 583 | - | (16 036) | 36 547 | 36 038 | 509 | 98.6% | 43 516 | 43 514 |

| 1.3 INTERNAL AUDIT | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 26 288 | - | (5 411) | 20 877 | 20 023 | 854 | 95.9% | 17 886 | 17 883 |
| Compensation of employees | 17 708 | - | (2 508) | 15 200 | 15 163 | 37 | 99.8% | 14 063 | 14 060 |
| Goods and services | 8 580 | - | (2 903) | 5 677 | 4 860 | 817 | 85.6% | 3 823 | 3 823 |
| Interest and rent on land | | | | | | | | | |
| Transfers and subsidies | - | - | - | - | - | - | - | 26 | 26 |
| Households | - | - | - | - | - | - | - | 26 | 26 |
| Payments for capital assets | 151 | - | 11 | 162 | 162 | - | 100.0% | 328 | 328 |
| Machinery and equipment | 151 | - | 11 | 162 | 162 | - | 100.0% | 193 | 193 |
| Software and other intangible assets | - | - | - | - | - | - | - | 135 | 135 |
| Total | 26 439 | - | (5 400) | 21 039 | 20 185 | 854 | 95.9% | 18 240 | 18 237 |

| 1.4 CORPORATE SERVICES | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 401 226 | - | (25 361) | 375 865 | 368 307 | 7 558 | 98.0% | 353 067 | 353 040 |
| Compensation of employees | 203 465 | - | (186) | 203 279 | 203 279 | - | 100.0% | 170 874 | 170 848 |
| Goods and services | 197 761 | - | (26 193) | 171 568 | 164 010 | 7 558 | 95.6% | 182 193 | 182 192 |
| Interest and rent on land | - | - | 1 018 | 1 018 | 1 018 | - | 100.0% | - | - |
| Transfers and subsidies | 17 246 | - | 1 289 | 18 535 | 17 477 | 1 058 | 94.3% | 15 931 | 13 232 |
| Departmental agencies and accounts | 2 641 | - | 421 | 3 062 | 2 204 | 858 | 72.0% | 2 500 | 21 |
| Non-profit institutions | 900 | - | - | 900 | 700 | 200 | 77.8% | 740 | 520 |
| Households | 13 705 | - | 868 | 14 573 | 14 573 | - | 100.0% | 12 691 | 12 691 |
| Payments for capital assets | 17 541 | - | 10 205 | 27 746 | 21 736 | 6 010 | 78.3% | 18 698 | 14 699 |
| Machinery and equipment | 14 641 | - | 1 470 | 16 111 | 11 911 | 4 200 | 73.9% | 18 698 | 14 699 |
| Intangible assets | 2 900 | - | 8 735 | 11 635 | 9 825 | 1 810 | 84.4% | - | - |
| Total | 436 013 | - | (13 867) | 422 146 | 407 520 | 14 626 | 96.5% | 387 696 | 380 971 |

| 1.5 FINANCIAL MANAGEMENT | | | | | | | | | |
|-------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | 2013/14 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 149 435 | - | (19 920) | 129 515 | 124 678 | 4 837 | 96.3% | 106 020 | 103 932 |
| Compensation of employees | 90 205 | - | (16 351) | 73 854 | 70 356 | 3 498 | 95.3% | 71 512 | 69 816 |
| Goods and services | 59 230 | - | (3 586) | 55 644 | 54 305 | 1 339 | 97.6% | 34 451 | 34 059 |
| Interest and rent on land | - | - | 17 | 17 | 17 | - | 100.0% | 57 | 57 |
| Transfers and subsidies | - | - | 398 | 398 | 398 | - | 100.0% | 447 | 447 |
| Provinces and municipalities | | | | | | | | - | - |
| Households | - | - | 398 | 398 | 398 | - | 100.0% | 447 | 447 |
| Payments for capital assets | 4 692 | - | (2 360) | 2 332 | 2 330 | 2 | 99.9% | 3 694 | 3 689 |
| Machinery and equipment | 4 692 | - | (2 360) | 2 332 | 2 330 | 2 | 99.9% | 3 694 | 3 689 |
| Payments for financial assets | - | - | 69 | 69 | 69 | - | 100.0% | 52 042 | 52 042 |
| Total | 154 127 | - | (21 813) | 132 314 | 127 475 | 4 839 | 96.3% | 162 203 | 160 110 |

| 1.6 OFFICE ACCOMMODATION | | | | | | | | | |
|--------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 311 775 | - | (12 000) | 299 775 | 253 698 | 46 077 | 84.6% | 259 308 | 259 308 |
| Goods and services | 311 775 | - | (12 000) | 299 775 | 253 698 | 46 077 | 84.6% | 259 308 | 259 308 |
| Total | 311 775 | - | (12 000) | 299 775 | 253 698 | 46 077 | 84.6% | 259 308 | 259 308 |

| PROGRAMME 2: WATER SECTOR MANAGEMENT | | | | | | | | | |
|-------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Sub programme | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1 POLICY AND PLANNING MANAGEMENT AND SUPPORT | 6 344 | - | (738) | 5 606 | 5 604 | 2 | 100.0% | 4 667 | 4 667 |
| 2 INTEGRATED PLANNING | 158 549 | (4 200) | (10 929) | 143 420 | 138 266 | 5 154 | 96.4% | 182 209 | 182 209 |
| 3 POLICY AND STRATEGY | 22 408 | - | (7 339) | 15 069 | 12 293 | 2 776 | 81.6% | 33 794 | 33 794 |
| 4 WATER SERVICES AND LOCAL WATER MANAGEMENT | 76 219 | 4 200 | (6 129) | 74 290 | 69 749 | 4 541 | 93.9% | - | - |
| 5 WATER ECOSYSTEM | 59 308 | (4 000) | (5 233) | 50 075 | 47 972 | 2 103 | 95.8% | 46 943 | 46 943 |
| 6 WATER INFORMATION MANAGEMENT | 222 304 | 4 000 | (11 123) | 215 181 | 194 754 | 20 427 | 90.5% | 162 655 | 162 655 |
| 7 WATER USE AUTHORISATION AND ENABLING | 1 690 | - | (1 690) | - | - | - | - | - | - |
| Total for sub programmes | 546 822 | - | (43 181) | 503 641 | 468 638 | 35 003 | 93.1% | 430 268 | 430 255 |

| PROGRAMME 2: WATER SECTOR MANAGEMENT | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------|---------|--------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | R'000 | R'000 | R'000 | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 500 988 | (500) | (43 633) | 456 855 | 434 378 | 22 477 | 95.1% | 398 613 | 398 610 |
| Compensation of employees | 218 874 | - | (29 728) | 189 146 | 184 660 | 4 486 | 97.6% | 165 668 | 165 666 |
| Salaries and wages | 193 623 | (2 548) | (24 883) | 166 192 | 163 345 | 2 847 | 98.3% | 145 789 | 145 787 |
| Social contributions | 25 251 | 2 548 | (4 845) | 22 954 | 21 315 | 1 639 | 92.9% | 19 879 | 19 879 |
| Goods and services | 282 114 | (500) | (13 905) | 267 709 | 249 718 | 17 991 | 93.3% | 232 945 | 232 944 |
| Administrative fees | 1 960 | 94 | (417) | 1 637 | 459 | 1 178 | 28.0% | 742 | 742 |
| Advertising | 648 | 554 | 770 | 1 972 | 1 733 | 239 | 87.9% | 1 308 | 1 306 |
| Minor assets | 1 183 | 1 303 | - | 2 486 | 307 | 2 179 | 12.3% | 349 | 349 |
| Audit costs: External | - | 2 | - | 2 | - | 2 | - | - | - |
| Bursaries: Employees | - | 7 | - | 7 | - | 7 | - | - | - |
| Catering: Departmental activities | 854 | (246) | (216) | 392 | 10 | 382 | 2.6% | 233 | 233 |
| Communication | 2 796 | 271 | 200 | 3 267 | 3 700 | (433) | 113.3% | 1 975 | 1 975 |
| Computer services | 51 380 | 24 412 | (9 159) | 66 633 | 65 960 | 673 | 99.0% | 39 910 | 39 910 |
| Consultants: Business and advisory services | 34 513 | (14 455) | (2 481) | 17 577 | 17 087 | 490 | 97.2% | 10 164 | 10 164 |
| Infrastructure and planning services | 139 018 | (20 754) | 2 482 | 120 746 | 117 924 | 2 822 | 97.7% | 130 913 | 130 913 |
| Laboratory services | 600 | 170 | (500) | 270 | 162 | 108 | 60.0% | 491 | 491 |
| Contractors | 3 149 | 1 167 | (660) | 3 656 | 3 422 | 234 | 93.6% | 2 525 | 2 525 |
| Agency and support / outsourced services | - | 865 | - | 865 | 854 | 11 | 98.7% | 686 | 686 |
| Entertainment | 150 | (34) | (18) | 98 | 19 | 79 | 19.4% | 16 | 16 |
| Fleet services | 158 | (46) | - | 112 | 60 | 52 | 53.6% | 6 | 6 |
| Inventory: Clothing material and supplies | - | 292 | - | 292 | 195 | 97 | 66.8% | 221 | 221 |
| Inventory: Food and food supplies | 99 | (50) | (35) | 14 | - | 14 | - | - | - |

| PROGRAMME 2: WATER SECTOR MANAGEMENT | | | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|---------------------|-------|---------------------|--------------------|----------|-----------------------------------------|--------------------|--------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Actual Expenditure | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | Final Appropriation | R'000 | Final Appropriation | | | | Actual expenditure | |
| Inventory: Fuel, oil and gas | 364 | 205 | - | 569 | R'000 | 193 | 376 | 33.9% | R'000 | 159 | 159 |
| Inventory: Learner and teacher support material | 8 | 29 | - | 37 | | 8 | 29 | 21.6% | - | - | - |
| Inventory: Materials and supplies | 48 | 30 | (3) | 75 | | 81 | (6) | 108.0% | | 29 | 29 |
| Inventory: Medical supplies | 11 | 59 | - | 70 | | 32 | 38 | 45.7% | - | - | - |
| Inventory: Other supplies | 2 057 | 1 604 | (700) | 2 961 | | 2 857 | 104 | 96.5% | | 2 183 | 2 183 |
| Consumable supplies | 76 | 248 | - | 324 | | 211 | 113 | 65.1% | | 289 | 290 |
| Consumable: Stationery, printing and office supplies | 4 355 | (128) | (138) | 4 089 | | 2 182 | 1 907 | 53.4% | | 3 613 | 3 613 |
| Operating leases | 1 974 | (1 795) | (1) | 178 | | - | 178 | - | | 123 | 123 |
| Property payments | 15 | 60 | - | 75 | | 136 | (61) | 181.3% | | 9 | 9 |
| Transport provided: Departmental activity | - | 1 | - | 1 | | - | 1 | - | | - | - |
| Travel and subsistence | 28 835 | 6 484 | (3 711) | 31 608 | | 26 745 | 4 863 | 84.6% | | 29 530 | 29 530 |
| Training and development | 4 713 | (1 770) | 670 | 3 613 | | 2 389 | 1 224 | 66.1% | | 2 200 | 2 200 |
| Operating payments | 1 382 | 334 | (114) | 1 602 | | 1 758 | (156) | 109.7% | | 1 727 | 1 727 |
| Venues and facilities | 1 768 | 564 | 126 | 2 458 | | 1 234 | 1 224 | 50.2% | | 3 453 | 3 453 |
| Rental and hiring | - | 23 | - | 23 | | - | 23 | - | | 91 | 91 |
| Transfers and subsidies | 26 | 500 | 819 | 1 345 | | 1 348 | (3) | 100.2% | | 1 229 | 1 223 |
| Provinces and municipalities | 3 | - | 6 | 9 | | 9 | - | 100.0% | | 4 | 4 |
| Provinces | - | - | 1 | 1 | | 1 | - | 100.0% | | 2 | 2 |
| Provincial agencies and funds | - | - | 1 | 1 | | 1 | - | 100.0% | | 2 | 2 |
| Municipalities | 3 | - | 5 | 8 | | 8 | - | 100.0% | | 2 | 2 |
| Municipal bank accounts | 3 | - | 5 | 8 | | 8 | - | 100.0% | | 2 | 2 |
| Municipal agencies and funds | - | - | - | - | | - | - | - | | - | - |

| PROGRAMME 2: WATER SECTOR MANAGEMENT | | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | Final Appropriation | Actual Expenditure | R'000 | | | Final Appropriation | Actual expenditure |
| Departmental agencies and accounts | - | 500 | - | 500 | 501 | (1) | 100.2% | 1 | 1 | |
| Departmental agencies | - | 500 | - | 500 | 501 | (1) | 100.2% | 1 | 1 | |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 82 | 82 | |
| Public corporations | - | - | - | - | - | - | - | 82 | 82 | |
| Other transfers to public corporations | - | - | - | - | - | - | - | 82 | 82 | |
| Non-profit institutions | 23 | - | - | 23 | 25 | (2) | 108.7% | 19 | 13 | |
| Households | - | - | 813 | 813 | 813 | - | 100.0% | 1 123 | 1 123 | |
| Social benefits | - | - | 811 | 811 | 812 | (1) | 100.1% | 1 123 | 1 123 | |
| Other transfers to households | - | - | 2 | 2 | 1 | 1 | 50.0% | - | - | |
| Payments for capital assets | 45 808 | - | (367) | 45 441 | 32 912 | 12 529 | 72.4% | 30 426 | 30 422 | |
| Buildings and other fixed structures | 28 500 | - | - | 28 500 | 25 064 | 3 436 | 87.9% | 24 415 | 24 415 | |
| Other fixed structures | 28 500 | - | - | 28 500 | 25 064 | 3 436 | 87.9% | 24 415 | 24 415 | |
| Machinery and equipment | 16 810 | - | (314) | 16 496 | 7 442 | 9 054 | 45.1% | 5 465 | 5 461 | |
| Transport equipment | 220 | - | 1 275 | 1 495 | 1 451 | 44 | 97.1% | 841 | 839 | |
| Other machinery and equipment | 16 590 | - | (1 589) | 15 001 | 5 991 | 9 010 | 39.9% | 4 624 | 4 622 | |
| Intangible assets | 498 | - | (53) | 445 | 406 | 39 | 91.2% | 546 | 546 | |
| Total | 546 822 | - | (43 181) | 503 641 | 468 638 | 35 003 | 93.1% | 430 268 | 430 255 | |

| 2.1 POLICY AND PLANNING MANAGEMENT AND SUPPORT | | | | | | | | | | |
|------------------------------------------------|------------------------|-------------------|----------|---------|-------|-------|----------|---------------------------|---------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final | 2013/14 | |
| | | | | R'000 | R'000 | Final | | | Final | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 6 255 | - | (744) | 5 511 | 5 509 | 2 | 100.0% | | 4 604 | 4 604 |
| Compensation of employees | 5 345 | - | (870) | 4 475 | 4 473 | 2 | 100.0% | | 3 599 | 3 599 |
| Goods and services | 910 | - | 126 | 1 036 | 1 036 | - | 100.0% | | 1 005 | 1 005 |
| Transfers and subsidies | - | - | 11 | 11 | 11 | - | 100.0% | | - | - |
| Households | - | - | 11 | 11 | 11 | - | 100.0% | | - | - |
| Payments for capital assets | 89 | - | (5) | 84 | 84 | - | 100.0% | | 63 | 63 |
| Machinery and equipment | 89 | - | (5) | 84 | 84 | - | 100.0% | | 63 | 63 |
| Total | 6 344 | - | (738) | 5 606 | 5 604 | 2 | 100.0% | | 4 667 | 4 667 |

| 2.2 INTEGRATED PLANNING | | | | | | | | | | |
|------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | Final Appropriation | Actual Expenditure | R'000 | | | Final Appropriation | Actual expenditure |
| Current payments | 157 527 | (4 200) | (11 419) | 141 908 | 137 043 | 4 865 | | 96.6% | 181 054 | 181 054 |
| Compensation of employees | 63 737 | - | (14 680) | 49 057 | 48 239 | 818 | | 98.3% | 53 387 | 53 386 |
| Goods and services | 93 790 | (4 200) | 3 261 | 92 851 | 88 804 | 4 047 | | 95.6% | 127 667 | 127 668 |
| Transfers and subsidies | 23 | - | 445 | 468 | 470 | (2) | | 100.4% | 130 | 124 |
| Provinces and municipalities | - | - | 1 | 1 | 1 | - | | 100.0% | 2 | 2 |
| Non-profit institutions | 23 | - | - | 23 | 25 | -2 | | 108.7% | 19 | 13 |
| Households | - | - | 444 | 444 | 444 | - | | 100.0% | 108 | 108 |
| Payments for capital assets | 999 | - | 45 | 1 044 | 753 | 291 | | 72.1% | 1 025 | 1 025 |
| Machinery and equipment | 946 | - | 98 | 1 044 | 753 | 291 | | 72.1% | 1 025 | 1 025 |
| Intangible assets | 53 | | (53) | | | | | | - | - |
| Total | 158 549 | (4 200) | (10 929) | 143 420 | 138 266 | 5 154 | | 96.4% | 182 209 | 182 203 |

| 2.3 POLICY AND STRATEGY | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | 2013/14 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 21 384 | (500) | (7 339) | 13 545 | 11 000 | 2 545 | 81.2% | 32 961 | 32 958 |
| Compensation of employees | 11 276 | - | (3 223) | 8 053 | 7 254 | 799 | 90.1% | 17 038 | 17 037 |
| Goods and services | 10 108 | (500) | (4 116) | 5 492 | 3 746 | 1 746 | 68.2% | 15 923 | 15 921 |
| | | | | | | | | | |
| Transfers and subsidies | - | 500 | - | 500 | 500 | - | 100.0% | 46 | 46 |
| Departmental agencies and accounts | - | 500 | - | 500 | 500 | - | 100.0% | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 22 | 21 |
| Households | - | - | - | - | - | - | - | 24 | 24 |
| | | | | | | | | | |
| Payments for capital assets | 1 024 | - | - | 1 024 | 793 | 231 | 77.4% | 787 | 785 |
| Machinery and equipment | 1 024 | - | - | 1 024 | 793 | 231 | 77.4% | 787 | 785 |
| | | | | | | | | | |
| Total | 22 408 | - | -7 339 | 15 069 | 12 293 | 2 776 | 81.6% | 33 794 | 33 789 |

| 2.4 WATER SERVICES AND LOCAL WATER MANAGEMENT | | | | | | | | | | |
|-----------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|-------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 75 601 | 4 200 | (6 173) | 73 628 | 69 270 | 4 358 | 94.1% | - | - | - |
| Compensation of employees | 28 117 | - | (5 463) | 22 654 | 22 076 | 578 | 97.4% | - | - | - |
| Goods and services | 47 484 | 4 200 | (710) | 50 974 | 47 194 | 3 780 | 92.6% | - | - | - |
| Transfers and subsidies | - | - | 44 | 44 | 44 | - | 100.0% | - | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - | - |
| Households | - | - | 44 | 44 | 44 | - | 100.0% | - | - | - |
| Payments for capital assets | 618 | - | - | 618 | 435 | 183 | 70.4% | - | - | - |
| Machinery and equipment | 618 | - | - | 618 | 435 | 183 | 70.4% | - | - | - |
| Total | 76 219 | 4 200 | -6 129 | 74 290 | 69 749 | 4 541 | 93.9% | - | - | - |

| 2.5 WATER ECOSYSTEM | | | | | | | | | | |
|-----------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|--------|
| Economic classification | 2014/15 | | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 58 955 | (4 000) | (5 490) | 49 465 | 47 362 | 2 103 | 95.7% | 46 559 | 46 559 | 46 559 |
| Compensation of employees | 20 619 | - | (1 785) | 18 834 | 18 121 | 713 | 96.2% | 17 361 | 17 361 | 17 361 |
| Goods and services | 38 336 | (4 000) | (3 705) | 30 631 | 29 241 | 1 390 | 95.5% | 29 198 | 29 198 | 29 198 |
| Transfers and subsidies | - | - | 225 | 225 | 225 | - | 100.0% | 4 | 4 | 4 |
| Households | - | - | 225 | 225 | 225 | - | 100.0% | 4 | 4 | 4 |
| Payments for capital assets | 353 | - | 32 | 385 | 385 | - | 100.0% | 380 | 380 | 380 |
| Machinery and equipment | 353 | - | 32 | 385 | 385 | - | 100.0% | 380 | 380 | 380 |
| Total | 59 308 | (4 000) | (5 233) | 50 075 | 47 972 | 2 103 | 95.8% | 46 943 | 46 943 | 46 943 |

| 2.6 WATER INFORMATION MANAGEMENT | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 179 696 | 4 000 | (10 898) | 172 798 | 164 194 | 8 604 | 95.0% | 133 435 | 133 435 |
| Compensation of employees | 88 945 | - | (2 872) | 86 073 | 84 497 | 1 576 | 98.2% | 74 283 | 74 283 |
| Goods and services | 90 751 | 4 000 | (8 026) | 86 725 | 79 697 | 7 028 | 91.9% | 59 152 | 59 152 |
| Transfers and subsidies | 3 | - | 94 | 97 | 98 | (1) | 101.0% | 1 049 | 1 049 |
| Provinces and municipalities | 3 | - | 5 | 8 | 8 | - | 100.0% | 2 | 2 |
| Departmental agencies and accounts | - | - | - | - | 1 | (1) | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 60 | 60 |
| Households | - | - | 89 | 89 | 89 | - | 100.0% | 987 | 987 |
| Payments for capital assets | 42 605 | - | (319) | 42 286 | 30 462 | 11 824 | 72.0% | 28 171 | 28 169 |
| Buildings and other fixed structures | 28 500 | - | - | 28 500 | 25 064 | 3 436 | 87.9% | 24 415 | 24 415 |
| Machinery and equipment | 13 660 | - | (319) | 13 341 | 4 992 | 8 349 | 37.4% | 3 210 | 3 208 |
| Intangible assets | 445 | - | - | 445 | 406 | 39 | 91.2% | 546 | 546 |
| Total | 222 304 | 4 000 | (11 123) | 215 181 | 194 754 | 20 427 | 90.5% | 162 655 | 162 653 |

| 2.7 WATER USE AUTHORISATION AND ENABLING | | | | | | | | | | |
|------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|---|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | % | | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | | R'000 | R'000 |
| Current payments | 1 570 | - | -1 570 | - | - | - | - | - | - | - |
| Compensation of employees | 835 | - | -835 | - | - | - | - | - | - | - |
| Goods and services | 735 | - | -735 | - | - | - | - | - | - | - |
| Payments for capital assets | 120 | - | (120) | - | - | - | - | - | - | - |
| Machinery and equipment | 120 | - | (120) | - | - | - | - | - | - | - |
| Total | 1 690 | - | (1 690) | - | - | - | - | - | - | - |

| PROGRAMME 3: WATER INFRASTRUCTURE MANAGEMENT | | | | | | | | | |
|-----------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Sub programme | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| 1 INFRASTRUCTURE DEVELOPMENT AND REHABILITATION | 2 755 177 | - | - | 2 755 177 | 2 755 177 | - | 100.0% | 2 398 058 | 2 391 702 |
| 2 OPERATION OF WATER RESOURCES | 164 245 | - | - | 164 245 | 164 245 | - | 100.0% | 167 145 | 167 145 |
| Total for sub programmes | 2 919 422 | - | - | 2 919 422 | 2 919 422 | - | 100.0% | 2 565 203 | 2 558 847 |
| Economic classification | | | | | | | | | |
| Transfers and subsidies | 2 919 422 | - | - | 2 919 422 | 2 919 422 | - | 100.0% | 2 565 203 | 2 558 847 |
| Departmental agencies and accounts | 2 735 154 | - | - | 2 735 154 | 2 735 154 | - | 100.0% | 2 377 202 | 2 377 202 |
| Departmental agencies | 2 735 154 | - | - | 2 735 154 | 2 735 154 | - | 100.0% | 2 377 202 | 2 377 202 |
| Foreign governments and international organisations | 184 268 | - | - | 184 268 | 184 268 | - | 100.0% | 188 001 | 181 645 |
| Total | 2 919 422 | - | - | 2 919 422 | 2 919 422 | - | 100.0% | 2 565 203 | 2 558 847 |

| 3.1 INFRASTRUCTURE DEVELOPMENT AND REHABILITATION | | | | | | | | | |
|-----------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transfers and subsidies | 2 755 177 | - | - | 2 755 177 | 2 755 177 | - | 100.0% | 2 398 058 | 2 391 702 |
| Departmental agencies and accounts | 2 570 909 | - | - | 2 570 909 | 2 570 909 | - | 100.0% | 2 210 057 | 2 210 057 |
| Foreign governments and international organisations | 184 268 | | | 184 268 | 184 268 | - | 100.0% | 188 001 | 181 645 |
| Total | 2 755 177 | - | - | 2 755 177 | 2 755 177 | - | 100.0% | 2 398 058 | 2 391 702 |

| 3.2 OPERATION OF WATER RESOURCES | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Transfers and subsidies | 164 245 | - | - | 164 245 | 164 245 | - | 100.0% | 167 145 | 167 145 |
| Departmental agencies and accounts | 164 245 | - | - | 164 245 | 164 245 | - | 100.0% | 167 145 | 167 145 |
| Total | 164 245 | - | - | 164 245 | 164 245 | - | 100.0% | 167 145 | 167 145 |

| PROGRAMME 4: REGIONAL IMPLEMENTATION AND SUPPORT | | | | | | | | | | |
|--------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|-------|
| Sub programme | 2014/15 | | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| 1 REGIONAL MANAGEMENT AND SUPPORT | 2 105 | - | 200 | 2 305 | 1 836 | 469 | 79.7% | 5 407 | 5 407 | 5 407 |
| 2 WATER SECTOR SUPPORT | 1 548 333 | (10 071) | (8 764) | 1 529 498 | 1 363 895 | 165 603 | 89.2% | 1 057 844 | 1 027 930 | |
| 3 WATER USE REGULATION | 370 644 | (14 954) | 8 162 | 363 852 | 342 755 | 21 097 | 94.2% | 291 249 | 291 249 | |
| 4 INSTITUTIONAL ESTABLISHMENT | 37 886 | (5 226) | (121) | 32 539 | 26 184 | 6 355 | 80.5% | 40 914 | 40 908 | |
| 5 REGIONAL BULK | 4 674 575 | 72 602 | 135 738 | 4 882 915 | 3 941 238 | 941 677 | 80.7% | 3 346 338 | 3 313 370 | |
| 6 TRANSFER OF WATER SCHEMES | 597 556 | - | (558) | 596 998 | 566 185 | 30 813 | 94.8% | 571 578 | 541 339 | |
| 7 SUPPORT SERVICES | 384 255 | (30 569) | (2 969) | 350 717 | 329 294 | 21 423 | 93.9% | 338 500 | 338 490 | |
| 8 WATER SERVICES PROJECTS | 202 233 | - | - | 202 233 | 202 233 | - | 100.0% | 190 453 | 190 380 | |
| 9 INTEGRATED CATCHMENT MANAGEMENT | 8 736 | - | 1 792 | 10 528 | 8 998 | 1 530 | 85.5% | 3 104 | 3 104 | |
| 10 MINE WATER MANAGEMENT | - | - | - | - | 7 882 | 2 568 | 75.5% | 378 048 | 378 048 | |
| 11 WATER USE AUTHORISATION AND ADMINISTRATION | 11 000 | - | (560) | 10 440 | 387 648 | 701 157 | 35.6% | - | - | |
| 12 NATIONAL SANITATION SERVICES | 1 103 787 | (11 782) | (3 200) | 1 088 805 | - | - | - | - | - | |
| Total for sub programmes | 8 941 110 | - | 129 720 | 9 070 830 | 7 178 148 | 1 892 682 | 79.1% | 6 223 435 | 6 130 225 | |

| PROGRAMME 4: REGIONAL IMPLEMENTATION AND SUPPORT | | | | | | | | | | |
|--------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | % | | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | | R'000 | R'000 |
| Current payments | 1 362 976 | (64 020) | (3 123) | 1 295 833 | 1 160 392 | 89.5% | 135 441 | 89.5% | 1 160 877 | 1 109 904 |
| Compensation of employees | 693 540 | (10 320) | (3 069) | 680 151 | 657 444 | 96.7% | 22 707 | 96.7% | 597 488 | 572 505 |
| Salaries and wages | 600 123 | (9 144) | (3 756) | 587 223 | 571 020 | 97.2% | 16 203 | 97.2% | 516 857 | 495 855 |
| Social contributions | 93 417 | (1 176) | 687 | 92 928 | 86 424 | 93.0% | 6 504 | 93.0% | 80 631 | 76 650 |
| Goods and services | 669 436 | (53 700) | (101) | 615 635 | 502 901 | 81.7% | 112 734 | 81.7% | 563 388 | 537 398 |
| Administrative fees | 7 661 | (3 634) | - | 4 027 | 2 553 | 63.4% | 1 474 | 63.4% | 3 205 | 3 048 |
| Advertising | 11 358 | (1 244) | - | 10 114 | 8 660 | 85.6% | 1 454 | 85.6% | 6 415 | 6 411 |
| Minor assets | 10 977 | 1 826 | - | 12 803 | 4 556 | 35.6% | 8 247 | 35.6% | 3 576 | 2 960 |
| Bursaries: Employees | 1 750 | (24) | - | 1 726 | 390 | 22.6% | 1 336 | 22.6% | - | - |
| Catering: Departmental activities | 11 515 | (1 556) | (101) | 9 858 | 6 417 | 65.1% | 3 441 | 65.1% | 7 829 | 7 821 |
| Communication | 24 663 | (679) | - | 23 984 | 22 513 | 93.9% | 1 471 | 93.9% | 22 090 | 21 860 |
| Computer services | 19 163 | (8 283) | - | 10 880 | 8 775 | 80.7% | 2 105 | 80.7% | 10 101 | 9 674 |
| Consultants: Business and advisory services | 115 657 | 16 537 | - | 132 194 | 81 835 | 61.9% | 50 359 | 61.9% | 132 166 | 120 805 |
| Infrastructure and planning services | 40 297 | (17 105) | - | 23 192 | 20 254 | 87.3% | 2 938 | 87.3% | 29 984 | 29 597 |
| Laboratory services | 5 610 | (515) | - | 5 095 | 3 308 | 64.9% | 1 787 | 64.9% | 2 936 | 2 844 |
| Legal services | 5 | (5) | - | - | - | - | - | - | 143 | 143 |
| Contractors | 126 580 | (11 217) | - | 115 363 | 108 956 | 94.4% | 6 407 | 94.4% | 92 968 | 91 006 |
| Agency and support / outsourced services | 57 211 | (21 094) | - | 36 117 | 33 262 | 92.1% | 2 855 | 92.1% | 32 169 | 26 590 |
| Entertainment | 1 143 | (655) | - | 488 | 22 | 4.5% | 466 | 4.5% | 232 | 218 |
| Fleet services | 1 328 | 115 | - | 1 443 | 1 386 | 96.0% | 57 | 96.0% | 1 015 | 1 015 |
| Inventory: Clothing material and supplies | 1 451 | 1 376 | - | 2 827 | 2 743 | 97.0% | 84 | 97.0% | 2 092 | 1 805 |
| Inventory: Farming supplies | 34 | - | - | 34 | 73 | 214.7% | -39 | 214.7% | 174 | 174 |

PART E: MAIN ACCOUNT FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE MAIN ACCOUNT (VOTE 42)

| PROGRAMME 4: REGIONAL IMPLEMENTATION AND SUPPORT | | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-----------------------------------------|---------------------|-------------|-----------|-----------|
| Economic classification | 2014/15 | | | | | Expenditure as % of final appropriation | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Final Appropriation | Expenditure | Final | Actual |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Inventory: Food and food supplies | 294 | (42) | - | 252 | 117 | 135 | 187 | 46.4% | 187 | 155 |
| Inventory: Fuel, oil and gas | 4 622 | (2 394) | - | 2 228 | 1 656 | 572 | 3 159 | 74.3% | 3 159 | 3 153 |
| Inventory: Learner and teacher support material | 739 | (685) | - | 54 | 1 | 53 | - | 1.9% | - | - |
| Inventory: Materials and supplies | 7 118 | (635) | - | 6 483 | 7 821 | -1 338 | 4 693 | 120.6% | 4 693 | 4 653 |
| Inventory: Medical supplies | 187 | 10 | - | 197 | 110 | 87 | 57 | 55.8% | 57 | 39 |
| Inventory: Medicine | 14 | (14) | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 5 562 | 9 457 | - | 15 019 | 13 525 | 1 494 | 3 916 | 90.1% | 3 916 | 3 890 |
| Consumable supplies | 2 698 | 3 842 | - | 6 540 | 3 241 | 3 299 | 2 846 | 49.6% | 2 846 | 2 826 |
| Consumable: Stationery, printing and office supplies | 11 858 | 1 307 | - | 13 165 | 6 737 | 6 428 | 8 123 | 51.2% | 8 123 | 7 394 |
| Operating leases | 8 328 | (3 354) | - | 4 974 | 3 240 | 1 734 | 4 664 | 65.1% | 4 664 | 4 664 |
| Property payments | 17 543 | (2 760) | - | 14 783 | 13 993 | 790 | 17 937 | 94.7% | 17 937 | 17 868 |
| Transport provided: Departmental activity | 1 600 | (331) | - | 1 269 | 620 | 649 | 36 | 48.9% | 36 | 36 |
| Travel and subsistence | 137 822 | (7 151) | - | 130 671 | 124 489 | 6 182 | 143 239 | 95.3% | 143 239 | 141 271 |
| Training and development | 13 895 | (3 540) | - | 10 355 | 7 006 | 3 349 | 9 321 | 67.7% | 9 321 | 9 312 |
| Operating payments | 12 357 | 808 | - | 13 165 | 10 866 | 2 299 | 10 871 | 82.5% | 10 871 | 9 607 |
| Venues and facilities | 8 240 | (4 285) | - | 3 955 | 1 782 | 2 173 | 5 398 | 45.1% | 5 398 | 4 713 |
| Rental and hiring | 156 | 2 224 | - | 2 380 | 1 993 | 387 | 1 846 | 83.7% | 1 846 | 1 846 |
| Interest and rent on land | - | - | 47 | 47 | 47 | - | 1 | 100.0% | 1 | 1 |
| Interest | - | - | - | - | - | - | 1 | - | 1 | 1 |
| Rent on land | - | - | 47 | 47 | 47 | - | - | 100.0% | - | - |
| Transfers and subsidies | 1 626 330 | - | 21 069 | 1 647 399 | 1 646 782 | 617 | 1 287 845 | 100.0% | 1 287 845 | 1 266 938 |
| Provinces and municipalities | 1 033 704 | - | 18 000 | 1 051 704 | 1 051 337 | 367 | 1 024 231 | 100.0% | 1 024 231 | 1 022 763 |

| PROGRAMME 4: REGIONAL IMPLEMENTATION AND SUPPORT | | | | | | | | | | |
|--------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-----------|-----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | Final Appropriation | Actual Expenditure | R'000 | | | Final Appropriation | Actual expenditure |
| Provinces | - | - | - | - | - | - | - | - | R'000 | R'000 |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | 318 | 309 |
| Municipalities | 1 033 704 | - | - | - | - | - | - | - | 318 | 309 |
| Municipal bank accounts | 1 033 704 | - | 18 000 | 1 051 704 | 1 051 337 | 367 | 367 | 100.0% | 1 023 913 | 1 022 454 |
| Departmental agencies and accounts | 21 | - | - | 21 | 10 | 11 | 11 | 47.6% | 1 023 913 | 1 022 454 |
| Departmental agencies | 21 | - | - | 21 | 10 | 11 | 11 | 47.6% | 2 | 2 |
| Public corporations and private enterprises | 580 000 | - | - | 580 000 | 579 919 | 81 | 81 | 100.0% | 250 000 | 231 432 |
| Public corporations | 580 000 | - | - | 580 000 | 579 919 | 81 | 81 | 100.0% | 250 000 | 231 432 |
| Other transfers to public corporations | 580 000 | - | - | 580 000 | 579 919 | 81 | 81 | 100.0% | 250 000 | 231 432 |
| Non-profit institutions | 588 | - | - | 588 | 430 | 158 | 158 | 73.1% | 651 | 649 |
| Households | 12 017 | - | 3 069 | 15 086 | 15 086 | - | - | 100.0% | 12 961 | 12 092 |
| Social benefits | 1 000 | 1 196 | 3 064 | 5 260 | 5 260 | - | - | 100.0% | 8 403 | 7 534 |
| Other transfers to households | 11 017 | (1 196) | 5 | 9 826 | 9 826 | - | - | 100.0% | 4 558 | 4 558 |
| Payments for capital assets | 5 951 804 | 64 020 | 111 720 | 6 127 544 | 4 370 920 | 1 756 624 | 1 756 624 | 71.3% | 3 774 713 | 3 753 383 |
| Buildings and other fixed structures | 5 898 158 | 72 945 | 111 720 | 6 082 823 | 4 343 323 | 1 739 500 | 1 739 500 | 71.4% | 3 728 711 | 3 726 677 |
| Other fixed structures | 5 898 158 | 72 945 | 111 720 | 6 082 823 | 4 343 323 | 1 739 500 | 1 739 500 | 71.4% | 3 728 711 | 3 726 677 |
| Machinery and equipment | 51 782 | (8 925) | 197 | 43 054 | 27 544 | 15 510 | 15 510 | 64.0% | 46 001 | 26 706 |
| Transport equipment | 1 705 | 6 736 | 30 | 8 471 | 7 711 | 760 | 760 | 91.0% | 8 368 | 8 270 |
| Other machinery and equipment | 50 077 | (15 661) | 167 | 34 583 | 19 833 | 14 750 | 14 750 | 57.3% | 37 633 | 18 436 |
| Biological assets | - | - | - | - | - | - | - | - | 1 | - |
| Intangible assets | 1 864 | - | -197 | 1 667 | 53 | 1 614 | 1 614 | 3.2% | - | - |
| Payments for financial assets | - | - | 54 | 54 | 54 | - | - | 100.0% | - | - |

| PROGRAMME 4: REGIONAL IMPLEMENTATION AND SUPPORT | | | | | | | | | |
|--------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | | 2013/14 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Total | 8 941 110 | - | 129 720 | 9 070 830 | 7 178 148 | 1 892 682 | 79.1% | 6 223 435 | 6 130 225 |

| 4.1 REGIONAL MANAGEMENT AND SUPPORT | | | | | | | | | |
|-------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | 2013/14 | | |
| | R'000 | R'000 | R'000 | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Current payments | 2 047 | - | 200 | 2 247 | 1 813 | 434 | 80.7% | 5 301 | 5 301 |
| Compensation of employees | 1 460 | - | 200 | 1 660 | 1 647 | 13 | 99.2% | 4 385 | 4 385 |
| Goods and services | 587 | - | - | 587 | 166 | 421 | 28.3% | 916 | 916 |
| | | | | | | | | | |
| Payments for capital assets | 58 | - | - | 58 | 23 | 35 | 39.7% | 106 | 106 |
| Machinery and equipment | 58 | - | - | 58 | 23 | 35 | 39.7% | 106 | 106 |
| | | | | | | | | | |
| Total | 2 105 | - | 200 | 2 305 | 1 836 | 469 | 79.7% | 5 407 | 5 407 |

| 4.2 WATER SECTOR SUPPORT | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 279 550 | (8 687) | (10 118) | 260 745 | 251 847 | 8 898 | 96.6% | 282 317 | 270 272 |
| Compensation of employees | 114 031 | - | (10 118) | 103 913 | 103 877 | 36 | 100.0% | 100 085 | 100 085 |
| Goods and services | 165 519 | (8 687) | - | 156 832 | 147 970 | 8 862 | 94.3% | 182 232 | 170 187 |
| Transfers and subsidies | 536 196 | - | 1 354 | 537 550 | 535 559 | 1 991 | 99.6% | 604 350 | 602 887 |
| Provinces and municipalities | 535 608 | - | - | 535 608 | 535 608 | - | 100.0% | 602 968 | 601 509 |
| Non-profit institutions | 588 | - | - | 588 | 430 | 158 | 73.1% | 651 | 648 |
| Households | - | - | 1 354 | 1 354 | 1 354 | - | 100.0% | 731 | 730 |
| Payments for capital assets | 732 587 | (1 384) | - | 731 203 | 574 656 | 156 547 | 78.6% | 171 177 | 154 771 |
| Buildings and other fixed structures | 726 132 | - | - | 726 132 | 571 311 | 154 821 | 78.7% | 149 418 | 149 418 |
| Machinery and equipment | 6 455 | (1 384) | - | 5 071 | 3 345 | 1 726 | 66.0% | 21 759 | 5 353 |
| Total | 1 548 333 | (10 071) | (8 764) | 1 529 498 | 1 363 895 | 165 603 | 89.2% | 1 057 844 | 1 027 930 |

| 4.3 WATER USE REGULATION | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 332 818 | (11 871) | 7 884 | 328 831 | 317 766 | 11 065 | 96.6% | 273 828 | 273 828 |
| Compensation of employees | 185 811 | - | 7 884 | 193 695 | 193 684 | 11 | 100.0% | 162 246 | 162 246 |
| Goods and services | 147 007 | (11 871) | (47) | 135 089 | 124 035 | 11 054 | 91.8% | 111 582 | 111 582 |
| Interest and rent on land | - | - | 47 | 47 | 47 | - | 100.0% | - | - |
| Transfers and subsidies | 11 521 | - | 278 | 11 799 | 11 846 | (47) | 100.4% | 5 180 | 5 180 |
| Provinces and municipalities | 504 | - | - | 504 | 547 | (43) | 108.5% | 307 | 307 |
| Departmental agencies and accounts | - | - | - | - | 4 | (4) | - | 2 | 2 |
| Households | 11 017 | - | 278 | 11 295 | 11 295 | - | 100.0% | 4 871 | 4 871 |
| Payments for capital assets | 26 305 | (3 083) | - | 23 222 | 13 143 | 10 079 | 56.6% | 12 241 | 12 241 |
| Machinery and equipment | 26 305 | (3 083) | - | 23 222 | 13 143 | 10 079 | 56.6% | 12 241 | 12 241 |
| Total | 370 644 | (14 954) | 8 162 | 363 852 | 342 755 | 21 097 | 94.2% | 291 249 | 291 249 |

| 4.4 INSTITUTIONAL ESTABLISHMENT | | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|-------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | % | | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | | R'000 | R'000 |
| Current payments | 36 812 | (5 120) | (121) | 31 571 | 25 481 | 80.7% | 6 090 | 80.7% | 39 930 | 39 928 |
| Compensation of employees | 17 607 | - | (121) | 17 486 | 14 811 | 84.7% | 2 675 | 84.7% | 20 491 | 20 489 |
| Goods and services | 19 205 | (5 120) | - | 14 085 | 10 670 | 75.8% | 3 415 | 75.8% | 19 439 | 19 439 |
| Transfers and subsidies | 21 | - | - | 21 | - | 21 | 21 | 21 | 440 | 440 |
| Departmental agencies and accounts | 21 | - | - | 21 | - | 21 | 21 | 21 | - | - |
| Households | - | - | - | - | - | - | - | - | 440 | 440 |
| Payments for capital assets | 1 053 | (106) | - | 947 | 703 | 74.2% | 244 | 74.2% | 544 | 540 |
| Buildings and other fixed structures | (343) | 343 | - | - | - | - | - | - | - | - |
| Machinery and equipment | 1 396 | (449) | - | 947 | 703 | 74.2% | 244 | 74.2% | 543 | 540 |
| Total | 37 886 | (5 226) | (121) | 32 539 | 26 184 | 80.5% | 6 355 | 80.5% | 40 914 | 40 908 |

| 4.5 REGIONAL BULK | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 87 252 | - | 6 018 | 93 270 | 73 305 | 19 965 | 78.6% | 84 941 | 72 392 |
| Compensation of employees | 17 670 | - | 6 018 | 23 688 | 23 688 | - | 100.0% | 16 749 | 15 156 |
| Goods and services | 69 582 | - | - | 69 582 | 49 617 | 19 965 | 71.3% | 68 192 | 57 236 |
| Transfers and subsidies | 580 000 | - | - | 580 000 | 579 919 | 81 | 100.0% | 250 000 | 231 432 |
| Public corporations and private enterprises | 580 000 | - | - | 580 000 | 579 919 | 81 | 100.0% | 250 000 | 231 432 |
| Payments for capital assets | 4 007 323 | 72 602 | 129 720 | 4 209 645 | 3 288 014 | 921 631 | 78.1% | 3 011 397 | 3 009 546 |
| Buildings and other fixed structures | 4 005 459 | 72 602 | 129 720 | 4 207 781 | 3 287 817 | 919 964 | 78.1% | 3 010 682 | 3 008 831 |
| Machinery and equipment | - | - | 197 | 197 | 197 | - | 100.0% | 715 | 715 |
| Intangible assets | 1 864 | - | (197) | 1 667 | - | 1 667 | - | - | - |
| Total | 4 674 575 | 72 602 | 135 738 | 4 882 915 | 3 941 238 | 941 677 | 80.7% | 3 346 338 | 3 313 370 |

| 4.6 TRANSFER OF WATER SCHEMES | | | | | | | | | |
|-------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 144 848 | - | (1 531) | 143 317 | 113 284 | 30 033 | 79.0% | 142 773 | 116 407 |
| Compensation of employees | 79 342 | - | (1 531) | 77 811 | 57 915 | 19 896 | 74.4% | 80 711 | 57 323 |
| Goods and services | 65 506 | - | - | 65 506 | 55 369 | 10 137 | 84.5% | 62 061 | 59 083 |
| Interest and rent on land | - | - | - | - | - | - | - | 1 | 1 |
| Transfers and subsidies | 450 558 | - | 973 | 451 531 | 451 531 | - | 100.0% | 424 545 | 423 678 |
| Provinces and municipalities | 449 558 | - | - | 449 558 | 449 558 | - | 100.0% | 420 945 | 420 945 |
| Households | 1 000 | - | 973 | 1 973 | 1 973 | - | 100.0% | 3 600 | 2 733 |
| Payments for capital assets | 2 150 | - | - | 2 150 | 1 370 | 780 | 63.7% | 4 260 | 1 254 |
| Machinery and equipment | 2 150 | - | - | 2 150 | 1 317 | 833 | 61.3% | 4 150 | 1 254 |
| Intangible assets | - | - | - | - | 53 | (53) | - | - | - |
| Total | 597 556 | - | (558) | 596 998 | 566 185 | 30 813 | 94.8% | 571 578 | 541 339 |

| 4.7 SUPPORT SERVICES | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 369 229 | (26 560) | (3 428) | 339 241 | 320 419 | 18 822 | 94.5% | 328 742 | 328 731 |
| Compensation of employees | 232 677 | (5 320) | (3 428) | 223 929 | 223 923 | 6 | 100.0% | 212 606 | 212 606 |
| Goods and services | 136 552 | (21 240) | - | 115 312 | 96 496 | 18 816 | 83.7% | 116 136 | 116 125 |
| Transfers and subsidies | 410 | - | 459 | 869 | 465 | 404 | 53.5% | 3 333 | 3 324 |
| Provinces and municipalities | 410 | - | - | 410 | - | 410 | - | 11 | 2 |
| Departmental agencies and accounts | - | - | - | - | 6 | (6) | - | 3 | 3 |
| Households | - | - | 459 | 459 | 459 | - | 100.0% | 3 319 | 3 319 |
| Payments for capital assets | 14 616 | (4 009) | - | 10 607 | 8 410 | 2 197 | 79.3% | 6 428 | 6 438 |
| Machinery and equipment | 14 616 | (4 009) | - | 10 607 | 8 410 | 2 197 | 79.3% | 6 428 | 6 438 |
| Total | 384 255 | (30 569) | (2 969) | 350 717 | 329 294 | 21 423 | 93.9% | 338 503 | 338 493 |

| 4.8 WATER SERVICES PROJECTS | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| ECONOMIC CLASSIFICATION | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Payments for capital assets | 202 233 | - | - | 202 233 | 202 233 | - | 100.0% | 190 453 | 190 380 |
| Buildings and other fixed structures | 202 233 | - | - | 202 233 | 202 233 | - | 100.0% | 190 453 | 190 380 |
| Total | 202 233 | - | - | 202 233 | 202 233 | - | 100.0% | 190 453 | 190 380 |

| 4.9 INTEGRATED CATCHMENT MANAGEMENT | | | | | | | | | |
|-------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 8 669 | - | 1 791 | 10 460 | 8 937 | 1 523 | 85.4% | 3 045 | 3 045 |
| Compensation of employees | 1 145 | - | 1 791 | 2 936 | 2 936 | - | 100.0% | 215 | 215 |
| Goods and services | 7 524 | - | - | 7 524 | 6 001 | 1 523 | 79.8% | 2 830 | 2 830 |
| Transfers and subsidies | - | - | 1 | 1 | 1 | - | 100.0% | - | - |
| Households | - | - | 1 | 1 | 1 | - | 100.0% | - | - |
| Payments for capital assets | 67 | - | - | 67 | 60 | 7 | 89.6% | 59 | 59 |
| Machinery and equipment | 67 | - | - | 67 | 60 | 7 | 89.6% | 59 | 59 |
| Total | 8 736 | - | 1 792 | 10 528 | 8 998 | 1 530 | 85.5% | 3 104 | 3 104 |

| 4.10 MINE WATER MANAGEMENT | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Payments for capital assets | - | - | - | - | - | - | - | 378 048 | 378 048 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | 378 048 | 378 048 |
| Total | - | - | - | - | - | - | - | 378 048 | 378 048 |

| 4.11 WATER USE AUTHORISATION AND ADMINISTRATION | | | | | | | | | |
|-------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 10 900 | - | (560) | 10 340 | 7 870 | 2 470 | 76.1% | - | - |
| Compensation of employees | 5 500 | - | (560) | 4 940 | 4 938 | 2 | 100.0% | - | - |
| Goods and services | 5 400 | - | - | 5 400 | 2 932 | 2 468 | 54.3% | - | - |
| | | | | | | | | | |
| Payments for capital assets | 100 | - | - | 100 | 12 | 88 | 12.0% | - | - |
| Machinery and equipment | 100 | - | - | 100 | 12 | 88 | 12.0% | - | - |
| | | | | | | | | | |
| Total | 11 000 | - | (560) | 10 440 | 7 882 | 2 558 | 75.5% | - | - |

| 4.12 NATIONAL SANITATION SERVICES | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 90 851 | (1 782) | (3 258) | 75 811 | 39 670 | 36 141 | 52.3% | - | - |
| Compensation of employees | 38 297 | (5 000) | (3 204) | 30 093 | 30 025 | 68 | 99.8% | - | - |
| Goods and services | 52 554 | (6 782) | (54) | 45 718 | 9 645 | 36 073 | 21.1% | - | - |
| Transfers and subsidies | 47 624 | - | 18 004 | 65 628 | 65 628 | - | 100.0% | - | - |
| Provinces and municipalities | 47 624 | - | 18 000 | 65 624 | 65 624 | - | 100.0% | - | - |
| Households | - | - | 4 | 4 | 4 | - | - | - | - |
| Payments for capital assets | 965 312 | - | (18 000) | 947 312 | 282 296 | 665 016 | 29.8% | - | - |
| Buildings and other fixed structures | 964 677 | - | (18 000) | 946 677 | 281 962 | 664 715 | 29.8% | - | - |
| Machinery and equipment | 635 | - | - | 635 | 334 | 301 | 52.6% | - | - |
| Intangible assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | 54 | 54 | 54 | - | 100.0% | - | - |
| Total | 1 103 787 | (11 782) | (3 200) | 1 088 805 | 387 648 | 701 157 | 35.6% | - | - |

| PROGRAMME 5: WATER SECTOR REGULATION | | | | | | | | | | |
|----------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|--|
| Sub programme | 2014/15 | | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| 1 REGULATION MANAGEMENT AND SUPPORT | 8 652 | - | (1 796) | 6 856 | 3 423 | 3 433 | 49.9% | 928 | 852 | |
| 2 ECONOMIC AND REGULATION MANAGEMENT | 3 940 | - | 3 743 | 7 683 | 4 472 | 3 211 | 58.2% | - | - | |
| 3 WATER USE AUTHORISATION | 10 438 | - | (716) | 9 722 | 9 085 | 637 | 93.4% | 16 114 | 12 825 | |
| 4 WATER SUPPLY SERVICES AND SANITATION REGULATIONS | 35 236 | - | (2 531) | 32 705 | 16 036 | 16 669 | 49.0% | 30 376 | 23 082 | |
| 5 WATER RESOURCE REGULATION | 33 757 | (4 800) | (754) | 28 203 | 25 487 | 2 716 | 90.4% | 43 180 | 41 800 | |
| 6 COMPLIANCE MONITORING | 17 379 | 4 800 | (380) | 21 799 | 21 767 | 32 | 99.9% | 626 | 40 | |
| 7 ENFORCEMENT | 16 773 | - | (1 978) | 14 795 | 14 031 | 764 | 94.8% | 17 105 | 13 424 | |
| 8 INSTITUTIONAL OVERSIGHT | 50 986 | - | (9 650) | 41 336 | 35 275 | 6 061 | 85.3% | 105 093 | 100 572 | |
| Total for sub programmes | 177 161 | - | (14 062) | 163 099 | 129 576 | 33 523 | 79.4% | 213 422 | 192 595 | |

| PROGRAMME 5: WATER SECTOR REGULATION | | | | | | | | | | | |
|---------------------------------------------|------------------------|-------------------|----------|---------|---------------------|--------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Actual Expenditure | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | R'000 | Final Appropriation | R'000 | | | | Final Appropriation | Actual expenditure |
| Current payments | 175 865 | - | (15 689) | 160 176 | 128 148 | 32 028 | 80.0% | 138 865 | 118 735 | | |
| Compensation of employees | 91 284 | - | (10 926) | 80 358 | 79 811 | 547 | 99.3% | 64 078 | 61 778 | | |
| Salaries and wages | 81 804 | (2 226) | (9 016) | 70 562 | 70 346 | 216 | 99.7% | 55 895 | 54 092 | | |
| Social contributions | 9 480 | 2 226 | (1 910) | 9 796 | 9 465 | 331 | 96.6% | 8 183 | 7 686 | | |
| Goods and services | 84 505 | - | (4 687) | 79 818 | 48 337 | 31 481 | 60.6% | 74 743 | 56 957 | | |
| Administrative fees | 929 | 484 | - | 1 413 | 203 | 1 210 | 14.4% | 1 105 | 873 | | |
| Advertising | 42 | 2 289 | - | 2 331 | 2 817 | -486 | 120.8% | 3 658 | 2 371 | | |
| Minor assets | 621 | 1 720 | - | 2 341 | 84 | 2 257 | 3.6% | 504 | 253 | | |
| Audit costs: External | 1 339 | (1 339) | - | - | 866 | -866 | - | 403 | 365 | | |
| Catering: Departmental activities | 389 | (70) | (43) | 276 | 77 | 199 | 27.9% | 560 | 236 | | |
| Communication | 3 001 | (394) | (562) | 2 045 | 1 833 | 212 | 89.6% | 1 360 | 1 008 | | |
| Computer services | 462 | 78 | (80) | 460 | 460 | - | 100.0% | 850 | 565 | | |
| Consultants: Business and advisory services | 50 119 | (8 506) | (5 717) | 35 896 | 21 295 | 14 601 | 59.3% | 34 761 | 25 806 | | |
| Infrastructure and planning services | - | 5 480 | (1 015) | 4 465 | 3 040 | 1 425 | 68.1% | 8 160 | 7 443 | | |
| Laboratory services | - | 87 | (80) | 7 | 3 | 4 | 42.9% | 200 | 190 | | |
| Contractors | 22 | 181 | - | 203 | 187 | 16 | 92.1% | 178 | 169 | | |
| Agency and support / outsourced services | 7 732 | (5 395) | - | 2 337 | 200 | 2 137 | 8.6% | 1 686 | 1 686 | | |
| Entertainment | 109 | (17) | - | 92 | 15 | 77 | 16.3% | 27 | 13 | | |
| Inventory: Clothing material and supplies | - | 121 | - | 121 | 64 | 57 | 52.9% | 19 | 4 | | |
| Inventory: Food and food supplies | 21 | (21) | - | - | - | - | - | - | - | | |

| PROGRAMME 5: WATER SECTOR REGULATION | | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|---------|--------|-------|-----------------------------------------|---------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | | |
| | | | | R'000 | R'000 | R'000 | | Final Appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | | | | % | R'000 | R'000 | R'000 |
| Inventory: Materials and supplies | 1 | 1 | - | 2 | 1 | 1 | 50.0% | 330 | 328 | - |
| Inventory: Other supplies | 1 | 4 | - | 5 | 35 | -30 | 700.0% | - | - | - |
| Consumable supplies | - | 259 | (120) | 139 | 84 | 55 | 60.4% | 220 | 115 | - |
| Consumable: Stationery, printing and office supplies | 1 641 | 223 | 31 | 1 895 | 763 | 1 132 | 40.3% | 1 564 | 1 050 | - |
| Operating leases | 413 | (337) | (12) | 64 | - | 64 | - | - | - | - |
| Property payments | 143 | (140) | - | 3 | 1 | 2 | 33.3% | - | - | - |
| Travel and subsistence | 13 100 | 4 930 | 1 481 | 19 511 | 13 716 | 5 795 | 70.3% | 13 912 | 11 856 | - |
| Training and development | 2 282 | (141) | 300 | 2 441 | 1 084 | 1 357 | 44.4% | 2 107 | 934 | - |
| Operating payments | 242 | 649 | 680 | 1 571 | 1 077 | 494 | 68.6% | 658 | 529 | - |
| Venues and facilities | 1 896 | (175) | 450 | 2 171 | 433 | 1 738 | 19.9% | 2 481 | 1 163 | - |
| Rental and hiring | - | 29 | - | 29 | - | 29 | - | - | - | - |
| Interest and rent on land | 76 | - | (76) | - | - | - | - | 44 | - | - |
| Rent on land | 76 | - | (76) | - | - | - | - | 44 | - | - |
| Transfers and subsidies | - | - | 759 | 759 | 759 | - | 100.0% | 72 568 | 72 568 | - |
| Provinces and municipalities | - | - | 1 | 1 | 1 | - | 100.0% | 1 | 2 | - |
| Provinces | - | - | 1 | 1 | 1 | - | 100.0% | 1 | 2 | - |
| Provincial agencies and funds | - | - | 1 | 1 | 1 | - | 100.0% | 1 | 2 | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | 59 846 | 59 846 | - |
| Departmental agencies | - | - | - | - | - | - | - | 59 846 | 59 846 | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | 12 647 | 12 647 | - |
| Public corporations | - | - | - | - | - | - | - | 12 647 | 12 647 | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | 12 647 | 12 647 | - |

| PROGRAMME 5: WATER SECTOR REGULATION | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Non-profit institutions | - | - | 648 | 648 | 648 | - | 100.0% | - | - |
| Households | - | - | 110 | 110 | 110 | - | 100.0% | 74 | 74 |
| Social benefits | - | - | 110 | 110 | 110 | - | 100.0% | 74 | 74 |
| Payments for capital assets | 1 296 | - | 868 | 2 164 | 669 | 1 495 | 30.9% | 1 989 | 1 292 |
| Machinery and equipment | 1 296 | - | 868 | 2 164 | 669 | 1 495 | 30.9% | 1 989 | 1 292 |
| Transport equipment | - | - | 474 | 474 | 12 | 462 | 2.5% | - | - |
| Other machinery and equipment | 1 296 | - | 394 | 1 690 | 657 | 1 033 | 38.9% | 1 989 | 1 292 |
| Total | 177 161 | - | (14 062) | 163 099 | 129 576 | 33 523 | 79.4% | 213 422 | 192 595 |

| 5.1 REGULATION MANAGEMENT AND SUPPORT | | | | | | | | | |
|---------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 8 581 | - | (2 296) | 6 285 | 3 389 | 2 896 | 53.9% | 859 | 814 |
| Compensation of employees | 6 431 | - | (4 091) | 2 340 | 2 267 | 73 | 96.9% | 636 | 635 |
| Goods and services | 2 133 | - | 1 812 | 3 945 | 1 122 | 2 823 | 28.4% | 223 | 179 |
| Interest and rent on land | 17 | - | (17) | - | - | - | - | - | - |
| Payments for capital assets | 71 | - | 500 | 571 | 34 | 537 | 6.0% | 69 | 38 |
| Machinery and equipment | 71 | - | 500 | 571 | 34 | 537 | 6.0% | 69 | 38 |
| Total | 8 652 | - | (1 796) | 6 856 | 3 423 | 3 433 | 49.9% | 928 | 852 |

| 5.2 ECONOMIC AND SOCIAL REGULATION | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|---------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | 2014/15 | | 2013/14 |
| | | | | | | | Expenditure as % of final appropriation | Final Appropriation | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 3 640 | - | 3 951 | 7 591 | 4 380 | 3 211 | 57.7% | - | - |
| Compensation of employees | 2 804 | - | 1 120 | 3 924 | 3 772 | 152 | 96.1% | - | - |
| Goods and services | 836 | - | 2 831 | 3 667 | 608 | 3 059 | 16.6% | - | - |
| Payments for capital assets | 300 | - | (208) | 92 | 92 | - | 100.0% | - | - |
| Machinery and equipment | 300 | - | (208) | 92 | 92 | - | 100.0% | - | - |
| Total | 3 940 | - | 3 743 | 7 683 | 4 472 | 3 211 | 58.2% | - | - |

| 5.3 WATER USE AUTHORISATION | | | | | | | | | |
|-----------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|---------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | 2014/15 | | 2013/14 |
| | | | | | | | Expenditure as % of final appropriation | Final Appropriation | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 10 438 | - | (1 027) | 9 411 | 9 085 | 326 | 96.5% | 15 940 | 12 697 |
| Compensation of employees | 8 036 | - | (311) | 7 725 | 7 495 | 230 | 97.0% | 7 789 | 7 789 |
| Goods and services | 2 402 | - | (716) | 1 686 | 1 590 | 96 | 94.3% | 8 151 | 4 908 |
| Payments for capital assets | - | - | 311 | 311 | - | 311 | - | 174 | 128 |
| Machinery and equipment | - | - | 311 | 311 | - | 311 | - | 174 | 128 |
| Total | 10 438 | - | -716 | 9 722 | 9 085 | 637 | 93.4% | 16 114 | 12 825 |

| 5.4 WATER SUPPLY SERVICES AND SANITATION REGULATIONS | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | R'000 | R'000 | R'000 | Final Appropriation | Actual Expenditure | Variance | | Final Appropriation | Actual expenditure |
| | | | | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 34 935 | - | (3 039) | 31 896 | 15 278 | 16 618 | 47.9% | 30 098 | 23 048 |
| Compensation of employees | 8 508 | - | (3 021) | 5 487 | 5 487 | - | 100.0% | 4 463 | 4 463 |
| Goods and services | 26 407 | - | 2 | 26 409 | 9 791 | 16 618 | 37.1% | 25 630 | 18 585 |
| Interest and rent on land | 20 | - | (20) | - | - | - | - | 5 | - |
| Transfers and subsidies | - | - | 687 | 687 | 687 | - | 100.0% | 14 | 14 |
| Non-profit institutions | - | - | 648 | 648 | 648 | - | 100.0% | - | - |
| Households | - | - | 39 | 39 | 39 | - | 100.0% | 14 | 14 |
| Payments for capital assets | 301 | - | (179) | 122 | 71 | 51 | 58.2% | 264 | 20 |
| Machinery and equipment | 301 | - | (179) | 122 | 71 | 51 | 58.2% | 264 | 20 |
| Total | 35 236 | - | (2 531) | 32 705 | 16 036 | 16 669 | 49.0% | 30 376 | 23 082 |

| 5.5 WATER RESOURCE REGULATION | | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|--------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Variance | Expenditure as % of final appropriation | 2013/14 | |
| | | | | Final Appropriation | Actual Expenditure | % | | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 | | R'000 | R'000 |
| Current payments | 33 452 | (4 800) | (812) | 27 840 | 25 281 | 90.8% | 2 559 | 90.8% | 42 804 | 41 397 |
| Compensation of employees | 22 376 | (4 800) | 205 | 17 781 | 17 781 | 100.0% | - | 100.0% | 28 179 | 28 179 |
| Goods and services | 11 074 | - | (1 015) | 10 059 | 7 500 | 74.6% | 2 559 | 74.6% | 14 617 | 13 218 |
| Interest and rent on land | 2 | - | (2) | - | - | - | - | - | 8 | - |
| Transfers and subsidies | - | - | 58 | 58 | 58 | 100.0% | - | 100.0% | 13 | 13 |
| Provinces and municipalities | - | - | 1 | 1 | 1 | 100.0% | - | 100.0% | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | 3 | 3 |
| Households | - | - | 57 | 57 | 57 | 100.0% | - | 100.0% | 10 | 10 |
| Payments for capital assets | 305 | - | - | 305 | 148 | 48.5% | 157 | 48.5% | 363 | 390 |
| Machinery and equipment | 305 | - | - | 305 | 148 | 48.5% | 157 | 48.5% | 363 | 390 |
| Total | 33 757 | (4 800) | (754) | 28 203 | 25 487 | 90.4% | 2 716 | 90.4% | 43 180 | 41 800 |

| 5.6 COMPLIANCE MONITORING | | | | | | | | | | |
|-----------------------------|------------------------|-------------------|----------|---------|--------|-------|-------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | | 2013/14 | | |
| | | | | R'000 | R'000 | R'000 | R'000 | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 17 260 | 4 800 | (380) | 21 680 | 21 680 | - | 626 | 100.0% | 626 | 40 |
| Compensation of employees | 14 402 | 4 800 | (502) | 18 700 | 18 700 | - | - | 100.0% | - | - |
| Goods and services | 2 852 | - | 128 | 2 980 | 2 980 | - | 626 | 100.0% | 626 | 40 |
| Interest and rent on land | 6 | - | (6) | - | - | - | - | - | - | - |
| Payments for capital assets | 119 | - | - | 119 | 87 | 32 | - | 73.1% | - | - |
| Machinery and equipment | 119 | - | - | 119 | 87 | 32 | - | 73.1% | - | - |
| | | | | - | - | - | - | - | - | - |
| Total | 17 379 | 4 800 | (380) | 21 799 | 21 767 | 32 | 626 | 99.9% | 626 | 40 |

| 5.7 ENFORCEMENT | | 2014/15 | | | | | 2013/14 | | |
|------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 16 773 | - | (2 466) | 14 307 | 13 898 | 409 | 97.1% | 16 316 | 13 038 |
| Compensation of employees | 9 920 | - | (556) | 9 364 | 9 364 | - | 100.0% | 9 004 | 6 705 |
| Goods and services | 6 822 | - | (1 879) | 4 943 | 4 534 | 409 | 91.7% | 7 281 | 6 333 |
| Interest and rent on land | 31 | - | (31) | - | - | - | - | 31 | - |
| Transfers and subsidies | - | - | 14 | 14 | 14 | - | 100.0% | - | - |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Households | - | - | 14 | 14 | 14 | - | 100.0% | - | - |
| Payments for capital assets | - | - | 474 | 474 | 119 | 355 | 25.1% | 789 | 386 |
| Machinery and equipment | - | - | 474 | 474 | 119 | 355 | 25.1% | 789 | 386 |
| Total | 16 773 | - | (1 978) | 14 795 | 14 031 | 764 | 94.8% | 17 105 | 13 424 |

| 5.8 INSTITUTIONAL OVERSIGHT | | | | | | | | | | |
|--------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|--|
| Economic classification | 2014/15 | | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Current payments | 50 786 | - | (9 620) | 41 166 | 35 157 | 6 009 | 85.4% | 32 222 | 27 701 | |
| Compensation of employees | 18 807 | - | (3 770) | 15 037 | 14 945 | 92 | 99.4% | 14 007 | 14 007 | |
| Goods and services | 31 979 | - | (5 850) | 26 129 | 20 212 | 5 917 | 77.4% | 18 215 | 13 694 | |
| Transfers and subsidies | - | - | - | - | - | - | - | 72 541 | 72 541 | |
| Provinces and municipalities | - | - | - | - | - | - | - | 1 | 2 | |
| Departmental agencies and accounts | - | - | - | - | - | - | - | 59 843 | 59 842 | |
| Non-profit institutions | - | - | - | - | - | - | - | 12 647 | 12 647 | |
| Payments for capital assets | - | - | - | - | - | - | - | 50 | 50 | |
| Buildings and other fixed structures | 200 | - | (30) | 170 | 118 | 52 | 69.4% | 330 | 330 | |
| Intangible assets | 200 | - | (30) | 170 | 118 | 52 | 69.4% | 330 | 330 | |
| Payments for financial assets | - | - | - | - | - | - | - | - | - | |
| Total | 50 986 | - | (9 650) | 41 336 | 35 275 | 6 061 | 85.3% | 105 093 | 100 572 | |

| PROGRAMME 6: INTERNATIONAL WATER COOPERATION | | | | | | | | | | |
|-------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|--|
| Sub programme | 2014/15 | | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| 1 INTERNATIONAL RELATION MANAGEMENT AND SUPPORT | 5 333 | - | (330) | 5 003 | 4 916 | 87 | 98.3% | 5 847 | 5 842 | |
| 2 AFRICAN COOPERATION | 11 457 | - | 2 000 | 13 457 | 12 877 | 580 | 95.7% | 10 461 | 10 395 | |
| 3 GLOBAL COOPERATION | 15 666 | - | - | 15 666 | 14 919 | 747 | 95.2% | 10 645 | 10 643 | |
| Total for sub programmes | 32 456 | - | 1 670 | 34 126 | 32 712 | 1 414 | 95.9% | 26 953 | 26 880 | |

| PROGRAMME 6: INTERNATIONAL WATER COOPERATION | | | | | | | | | | |
|------------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|--|
| Sub programme | 2014/15 | | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Economic classification | | | | | | | | | | |
| Current payments | 30 712 | - | 1 670 | 32 382 | 31 324 | 1 058 | 96.7% | 25 651 | 25 651 | |
| Compensation of employees | 21 899 | (115) | 190 | 21 974 | 21 233 | 741 | 96.6% | 16 901 | 16 901 | |
| Salaries and wages | 20 332 | (396) | 86 | 20 022 | 18 824 | 1 198 | 94.0% | 14 922 | 14 922 | |
| Social contributions | 1 567 | 281 | 104 | 1 952 | 2 409 | (457) | 123.4% | 1 979 | 1 979 | |
| Goods and services | 8 749 | 115 | 1 480 | 10 344 | 10 091 | 253 | 97.6% | 8 750 | 8 750 | |
| Administrative fees | 178 | 182 | (70) | 290 | 92 | 198 | 31.7% | 274 | 274 | |
| Advertising | - | 39 | - | 39 | 73 | (34) | 187.2% | 93 | 93 | |
| Audit costs: External | - | 219 | - | 219 | 105 | 114 | 47.9% | 185 | 185 | |
| Bursaries: Employees | 131 | (131) | - | - | - | - | - | - | - | |
| Catering: Departmental activities | 215 | (77) | - | 138 | 11 | 127 | 8.0% | 63 | 63 | |
| Communication | 1 175 | (603) | - | 572 | 594 | (22) | 103.8% | 312 | 312 | |
| Consultants: Business and advisory services | 55 | (55) | - | - | 1 | (1) | - | - | - | |
| Contractors | 115 | (115) | 2 880 | 2 880 | 3 470 | (590) | 120.5% | 26 | 26 | |
| Agency and support / outsourced services | - | 199 | - | 199 | 135 | 64 | 67.8% | 105 | 105 | |
| Entertainment | 177 | (163) | - | 14 | 10 | 4 | 71.4% | 6 | 6 | |
| Inventory: Materials and supplies | - | 1 | - | 1 | 3 | (2) | 300.0% | 2 | 2 | |
| Inventory: Other supplies | 11 | (11) | - | - | - | - | - | - | - | |
| Consumable supplies | - | 188 | (20) | 168 | 116 | 52 | 69.0% | 110 | 110 | |
| Consumable: Stationery, printing and office supplies | 126 | 675 | - | 801 | 698 | 103 | 87.1% | 753 | 753 | |
| Operating leases | - | 177 | - | 177 | - | 177 | - | - | - | |
| Property payments | - | - | - | - | - | - | - | 248 | 248 | |

| PROGRAMME 6: INTERNATIONAL WATER COOPERATION | | | | | | | | | |
|-----------------------------------------------------|------------------------|-------------------|----------|---------|--------|-------|-----------------------------------------|---------------------|--------------------|
| Sub programme | Adjusted Appropriation | Shifting of Funds | Virement | 2014/15 | | | Expenditure as % of final appropriation | 2013/14 | |
| | | | | R'000 | R'000 | R'000 | | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | | | | % | R'000 | R'000 |
| Transport provided: Departmental activity | 66 | (66) | - | - | - | - | - | - | - |
| Travel and subsistence | 6 287 | (1 187) | (1 310) | 3 790 | 4 221 | (431) | 111.4% | 4 950 | 4 950 |
| Training and development | 146 | 476 | - | 622 | 353 | 269 | 56.8% | 725 | 725 |
| Operating payments | 25 | 6 | - | 31 | 16 | 15 | 51.6% | 78 | 78 |
| Venues and facilities | 42 | 361 | - | 403 | 193 | 210 | 47.9% | 820 | 820 |
| Interest and rent on land | 64 | - | - | 64 | - | 64 | - | - | - |
| Interest | 64 | - | - | 64 | - | 64 | - | - | - |
| Transfers and subsidies | 921 | - | - | 921 | 908 | 13 | 98.6% | 658 | 642 |
| Departmental agencies and accounts | 3 | - | - | 3 | - | 3 | - | 2 | - |
| Departmental agencies | 3 | - | - | 3 | - | 3 | - | 2 | - |
| Foreign governments and international organisations | 918 | - | - | 918 | 908 | 10 | 98.9% | 623 | 609 |
| Households | - | - | - | - | - | - | - | 33 | 33 |
| Social benefits | - | - | - | - | - | - | - | 33 | 33 |
| Payments for capital assets | 823 | - | - | 823 | 480 | 343 | 58.3% | 644 | 587 |
| Machinery and equipment | 823 | - | - | 823 | 480 | 343 | 58.3% | 644 | 587 |
| Transport equipment | - | - | - | - | 56 | (56) | - | 61 | 61 |
| Other machinery and equipment | 823 | - | - | 823 | 424 | 399 | 51.5% | 583 | 526 |
| Total | 32 456 | - | 1 670 | 34 126 | 32 712 | 1 414 | 95.9% | 26 953 | 26 880 |

| 6.1 INTERNATIONAL RELATION MANAGEMENT AND SUPPORT | | | | | | | | | | |
|---------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|-------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| Current payments | 5 151 | - | (330) | 4 821 | 4 781 | 40 | 99.2% | 5 608 | 5 608 | 5 608 |
| Compensation of employees | 3 341 | (115) | 270 | 3 496 | 3 456 | 40 | 98.9% | 3 809 | 3 809 | 3 809 |
| Goods and services | 1 810 | 115 | (600) | 1 325 | 1 325 | - | 100.0% | 1 799 | 1 799 | 1 799 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 182 | - | - | 182 | 135 | 47 | 74.2% | 239 | 239 | 234 |
| Machinery and equipment | 182 | - | - | 182 | 135 | 47 | 74.2% | 239 | 239 | 234 |
| Total | 5 333 | - | (330) | 5 003 | 4 916 | 87 | 98.3% | 5 847 | 5 842 | 5 842 |

| 6.2 AFRICA COOPERATION | | 2014/15 | | | | | 2013/14 | | |
|-----------------------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 10 200 | - | 2 000 | 12 200 | 11 833 | 367 | 97.0% | 9 480 | 9 480 |
| Compensation of employees | 7 501 | - | (80) | 7 421 | 7 054 | 367 | 95.1% | 5 991 | 5 991 |
| Goods and services | 2 699 | - | 2 080 | 4 779 | 4 779 | - | 100.0% | 3 489 | 3 489 |
| Transfers and subsidies | 919 | - | - | 919 | 908 | 11 | 98.8% | 624 | 609 |
| Departmental agencies and accounts | 1 | - | - | 1 | - | 1 | - | 1 | - |
| Foreign governments and international organisations | 918 | - | - | 918 | 908 | 10 | 98.9% | 623 | 609 |
| Payments for capital assets | 338 | - | - | 338 | 136 | 202 | 40.2% | 357 | 306 |
| Machinery and equipment | 338 | - | - | 338 | 136 | 202 | 40.2% | 357 | 306 |
| Total | 11 457 | - | 2 000 | 13 457 | 12 877 | 580 | 95.7% | 10 461 | 10 395 |

| 6.3 GLOBAL COOPERATION | | | | | | | | | |
|------------------------------------|------------------------|-------------------|----------|---------------------|--------------------|----------|-----------------------------------------|---------------------|--------------------|
| Economic classification | 2014/15 | | | | | 2013/14 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Current payments | 15 361 | - | - | 15 361 | 14 710 | 651 | 95.8% | 10 563 | 10 563 |
| Compensation of employees | 11 057 | - | - | 11 057 | 10 723 | 334 | 97.0% | 7 101 | 7 101 |
| Goods and services | 4 240 | - | - | 4 240 | 3 987 | 253 | 94.0% | 3 462 | 3 462 |
| Interest and rent on land | 64 | - | - | 64 | - | 64 | - | - | - |
| Transfers and subsidies | 2 | - | - | 2 | - | 2 | - | 34 | 33 |
| Departmental agencies and accounts | 2 | - | - | 2 | - | 2 | - | 1 | - |
| Households | - | - | - | - | - | - | - | 33 | 33 |
| Payments for capital assets | 303 | - | - | 303 | 209 | 94 | 69.0% | 48 | 47 |
| Machinery and equipment | 303 | - | - | 303 | 209 | 94 | 69.0% | 48 | 47 |
| Total | 15 666 | - | - | 15 666 | 14 919 | 747 | 95.2% | 10 645 | 10 643 |

3.2 Notes to the appropriation statement

1 Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (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 payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

| 4.1 Per programme | Final Appropriation | Actual Expenditure | Variance R'000 | Variance as a % of Final Appropriation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|-------------------|-------------------------------------------|
| Programme 1 | | | | |
| Administration | 956 283 | 888 189 | 68 094 | 7% |
| There have been delays in receiving invoices in respect of office accommodation and municipal services from the Department of Public Works for processing. An average monthly spending is R23 million on office accommodation and R2.9 million on municipal services such as electricity, water, sewage and waste removal. An estimated outstanding invoices stands at R46 million. There was equipment relating to Data Storage Infrastructure for which the invoice will only be delivered in the 2015/16 financial year. The Department underwent a process of restructuring which resulted in deferring the filling of vacant positions within the department in the first half of the 2014/15 financial year. This contributed to the under spending in Compensation of employees. The goods and services, and the costs associated with the human resources activities relating to filling of positions such as advertising, induction and training of new employees, have been affected by the delayed filling of vacant positions. | | | | |
| Programme 2 | | | | |
| Water Sector Management | 503 641 | 468 638 | 35 003 | 7% |
| The purchase of laboratory analyses instruments for national surface water quality programme and Inductively Coupled Plasma Optical Emissions Spectrometer Instrument could finalised as delivery did not take place within 2014/15 financial year as planned. The instruments will only be delivered in 2015/16 financial year. An amount budgeted for GCxGC TOF could not be spent as the Tender process was finalised - but, the quotations were not market-related and therefore not approved - bid will be re-advertised. The purchase of instruments for national surface water quality programme could not be made as the tender process was only finalised in January 2015. The instruments are required for analyses in the organic laboratory. The order number OR131407 has been issued to procure the instrument. Delivery expected in June 2015. An allocation for the purchase of instrument to undertake Surveys in line with Dam Safety monitoring requirements could not be spent because Departmental Acquisition committee recommended procurement of instrument in March 2015. The rollover request has been submitted to National Treasury to complete the payment. | | | | |
| Programme 3 | | | | |
| Water Infrastructure Management | 2 919 422 | 2 919 422 | - | 0% |
| There was no variance under this programme | | | | |
| Programme 4 | 9 070 830 | 7 179 981 | 1 890 849 | 21% |

Regional Implementation & Support

An allocation for the implementation of various water supply projects Municipal Water Infrastructure Grant which include construction of pipelines, steel and concrete reservoirs, drilling of boreholes, connection of bulk water supply system in the Interim, Intermediate Water Supply Programme could not be spent due to prolonged signing of service level agreements and the delayed delivery of materials by suppliers. An allocation for Regional Bulk Infrastructure Grant could not be spent due to the delays in the finalisation of the implementation plan by the newly appointed Implementing Agent and the delays in delivery of ordered material needed for implementation of various regional bulk infrastructure programme that will ensure provision of water supply to various regions and municipalities. An allocation for the replacement of bucket toilets with full waterborne sanitation (flushing toilets) with a water and sewer connection to a reticulation network due to the insufficient infrastructure to support Bucket Eradication Programme, cash flow challenges experienced by the Implementing Agents, and the severe hard rock and adverse geotechnical soil conditions which delayed the excavation process. An amount of R22 million could not be spent due to non filling of vacant but funded positions (The Department underwent a process of restructuring which resulted in deferring the filling of vacant positions within the department in the first half of the 2014/15 financial year). Good and Services and other activities such as water sector support, sanitation services, support services, water regulation and use, accounts to R112million of under spending. Unspent and uncommitted allocations for Bucket Eradication Programme and Rural Household Infrastructure Grant as a result of late transfer of Bucket Eradication funds to Implementing Agents by Department of Human Settlements, and the Delays in the appointment of Implementing Agents and the late submission of business plans for the Rural Household Infrastructure Grant

| | | | | |
|--------------------|----------------|----------------|---------------|------------|
| Programme 5 | 163 099 | 129 576 | 33 523 | 21% |
|--------------------|----------------|----------------|---------------|------------|

Water Sector Regulation

An allocation budgeted for the Blue/Green Drop project aimed at enabling the department to improve drinking water quality and wastewater management could not be implemented as the contract of the service provider expired in January 2015. An allocation for the envisaged African Forum for Utility Regulators conference which has been postponed to June 2015, could not be spent. Good and Services and other activities such as supporting WULATS, support for the Roll Out of Catchment Management Agencies, accounts to R13 million of under spending.

| | | | | |
|--------------------|---------------|---------------|--------------|-----------|
| Programme 6 | 34 126 | 32 712 | 1 414 | 4% |
|--------------------|---------------|---------------|--------------|-----------|

International Water Cooperation

The under spending of R1 million in this programme is attributable to the outstanding claims for advances paid to DIRCO.

| 4.2 | Per economic classification | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Appropriation R'000 |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------------------------------|-------------------|----------------------------------------------------|
| | Current payments | | | | |
| | Compensation of employees | 1 307 722 | 1 275 705 | 32 017 | 2% |
| | Goods and services | 1 538 250 | 1 318 814 | 219 436 | 14% |
| | Interest and rent on land | 1 146 | 1 082 | 64 | 6% |
| | | | | | |
| | Transfers and subsidies | | | | |
| | Provinces and municipalities | 1 051 719 | 1 051 352 | 367 | 0% |
| | Departmental agencies and accounts | 2 740 913 | 2 739 536 | 1 377 | 0% |
| | Public corporations and private enterprises | 580 000 | 579 919 | 367 | 0% |
| | Foreign governments and international organisations | 185 186 | 185 176 | 10 | 0% |
| | Non-profit institutions | 2 159 | 1 803 | 356 | 16% |
| | Households | 31 012 | 31 011 | 1 | 0% |
| | | | | | |
| | Payments for capital assets | | | | |
| | Buildings and other fixed structures | 6 111 323 | 4 370 220 | 1 741 103 | 28% |
| | Machinery and equipment | 84 101 | 53 493 | 30 608 | 36% |
| | Intangible assets | 13 747 | 10 284 | 3 463 | 25% |
| | | | | | |
| | Payments for financial assets | 123 | 123 | - | 0% |
| | <p>The under spending in Compensation of employees is mainly attributable to the process of restructuring which the Department undertook, which resulted in deferring the filling of vacant positions within the department across all programmes in the first half of the 2014/15 financial year. Consequently, expenditure of goods and services which are associated with the human resources activities relating to filling of positions such as advertising, induction and training of new employees, have been affected.</p> <p>The under spending in buildings and other fixed structures is due mainly to the delays in implementation of various infrastructure projects relating to construction of pipelines, steel and concrete reservoirs, drilling of boreholes, regional bulk infrastructure and replacement of bucket toilets with full waterborne sanitation.</p> | | | | |
| 4.3 | Per conditional grant | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Appropriation R'000 |
| | Water Services Operating Subsidy Grant (WSOS) | 449 558 | 449 558 | - | |
| | Municipal Water Infrastructure Grant (MWIG) | 535 608 | 535 608 | - | |
| | Rural Households Infrastructure Grant (RHIG) | 65 624 | 65 624 | - | |

3.3 Statement of financial performance

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|-------------------------------------------------------------|------|------------------|------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 13 647 401 | 10 375 554 |
| Departmental revenue | 2 | 15 333 | 65 950 |
| Aid assistance | 3 | - | 7 088 |
| TOTAL REVENUE | | 13 662 734 | 10 448 592 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 4 | 1 275 705 | 1 112 336 |
| Goods and services | 5 | 1 318 813 | 1 360 873 |
| Interest and rent on land | 6 | 1 082 | 58 |
| Aid assistance | 3 | - | 7 088 |
| Total current expenditure | | 2 595 600 | 2 480 355 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 8 | 4 588 799 | 3 913 942 |
| Total transfers and subsidies | | 4 588 799 | 3 913 942 |
| Expenditure for capital assets | | | |
| Tangible assets | 9 | 4 421 877 | 3 800 734 |
| Intangible assets | 9 | 10 283 | 6 257 |
| Total expenditure for capital assets | | 4 432 160 | 3 806 991 |
| Payments for financial assets | 7 | 123 | 52 042 |
| TOTAL EXPENDITURE | | 11 616 682 | 10 253 330 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 2 046 052 | 195 262 |
| Reconciliation of Net Surplus/(Deficit) for the year | | | |
| Voted funds | | 2 030 719 | 129 312 |
| Annual appropriation | | 2 030 719 | 129 312 |
| Departmental revenue and NRF Receipts | 16 | 15 333 | 65 950 |
| Aid assistance | 3 | - | - |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 2 046 052 | 384 611 |

3.4 Statement of financial position

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|-----------------------------------------------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 1 923 441 | 135 340 |
| Unauthorised expenditure | 10 | 3 782 | 3 782 |
| Cash and cash equivalents | 11 | 1 884 014 | 56 004 |
| Prepayments and advances | 12 | 3 667 | 48 918 |
| Receivables | 13 | 28 449 | 23 523 |
| Loans | 14 | 3 529 | 3 113 |
| Non-current assets | | 6 789 | 10 223 |
| Loans | 17 | 6 789 | 10 223 |
| TOTAL ASSETS | | 1 928 397 | 145 573 |
| LIABILITIES | | | |
| Current liabilities | | 1 915 855 | 126 598 |
| Voted funds to be surrendered to the Revenue Fund | 15 | 1 912 798 | 96 824 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 16 | 182 | 29 343 |
| Bank overdraft | 17 | 25 | 2 |
| Payables | 18 | 2 850 | 429 |
| Non-current liabilities | | | |
| Payables | 22 | - | - |
| TOTAL LIABILITIES | | 1 915 855 | 126 598 |
| NET ASSETS | | 14 375 | 18 975 |

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|------------------------|------|------------------|------------------|
| Represented by: | | | |
| Recoverable revenue | | 14 375 | 18 975 |
| TOTAL | | 14 375 | 18 975 |

3.5 Statement of changes in net assets

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|-----------------------------------------------------|------|------------------|------------------|
| Recoverable revenue | | | |
| Opening balance | | 18 975 | 67 080 |
| Transfers: | | (4 600) | (48 105) |
| Irrecoverable amounts written off | 7.2 | (59) | (34 293) |
| Debts revised | | 12 170 | (15 753) |
| Debts recovered (included in departmental receipts) | | (20 720) | (1 151) |
| Debts raised | | 4 009 | 3 092 |
| Closing balance | | 14 375 | 18 975 |
| TOTAL | | 14 375 | 18 975 |

3.6 Cash flow statement

| | Note | 2014/15 R'000 | 2013/14 R'000 |
|----------------------------------------------------------|-----------|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 13 544 819 | 10 416 104 |
| Annual appropriated funds received | 1.1 | 13 529 486 | 10 343 066 |
| Departmental revenue received | 2 | 12 789 | 61 338 |
| Interest received | 2.2 | 2 544 | 4 612 |
| Aid assistance received | 3 | - | 7 088 |
| Net (increase)/decrease in working capital | | 42 746 | 372 094 |
| Surrendered to Revenue Fund | | (141 324) | (388 777) |
| Surrendered to RDP Fund/Donor | | - | (6 942) |
| Current payments | | (2 594 565) | (2 480 297) |
| Interest paid | 6 | (1 035) | (58) |
| Payments for financial assets | | (123) | (52 042) |
| Transfers and subsidies paid | | (4 588 799) | (3 913 942) |
| Net cash flow available from operating activities | 19 | 6 261 719 | 3 946 140 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | 9 | (4 432 160) | (3 806 991) |
| Proceeds from sale of capital assets | 2.4 | - | - |
| (Increase)/decrease in loans | | 3 028 | 43 646 |
| Net cash flows from investing activities | | (4 429 132) | (3 763 345) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in net assets | | (4 600) | (48 105) |
| Increase/(decrease) in non-current payables | | | |
| Net cash flows from financing activities | | (4 600) | (48 105) |
| Net increase/(decrease) in cash and cash equivalents | | 1 827 987 | 134 690 |
| Cash and cash equivalents at beginning of period | | 56 002 | (78 688) |
| Cash and cash equivalents at end of period | 20 | 1 883 989 | 56 002 |

3.7 Accounting policies**Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

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

4 Rounding

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

5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.

6 Comparative information**6.1 Prior period comparative information**

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.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 Revenue**7.1 Appropriated funds**

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

8 Expenditure**8.1 Compensation of employees****8.1.1 Salaries and wages**

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.

Accrued expenditure payable is measured at cost.

8.4 Leases**8.4.1 Operating leases**

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 Aid Assistance**9.1 Aid assistance received**

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 Cash and cash equivalents

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

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

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

11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the financial year are carried in the Statement of Financial Position at cost.

12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13 Investments

Investments are recognised in the statement of financial position at cost.

14 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 Payables

Loans and payables are recognised in the statement of financial position at cost.

16 Capital Assets**16.1 Immovable capital assets**

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

17 Provisions and Contingents

17.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there 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 within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23 Agent-Principal arrangements

Refer to Accounting Policy number 33.

24 Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.

25 Capitalisation reserve

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

26 Recoverable revenue

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

27 Inventories (Effective from 1 April 2016)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.

28 Employee Benefits

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

29 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

30 Prior period errors

Prior period errors are recorded in the notes to the annual financial statements when these errors are omissions from, and misstatements in, the department's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

31 Key management personnel

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

32 Public private partnerships

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 current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.

33 Agent-principal arrangements

Agent-principal arrangements are recorded in the notes to the annual financial statements when the principal (Department) has the power to exercise beneficial control over an activity, where beneficial control is power (for example, power established by legislation), to direct the activity and the ability to benefit from that power.

Where a department acts as a principal it shall disclose as part of the primary financial information, the following in the notes to the financial statements:

- a) the total payments made to its agents (where applicable) during the period; and
- b) an explanation about the nature, circumstances and terms relating to the arrangements.

34 Events after the reporting date

Subsequent events that are both favourable and unfavourable which occurred between the reporting date and the date when financial statements are authorised for issue, are included a disclosure note to the annual financial statements.

35 Restatements and adjustments

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.

36 Impairment

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

3.8 Notes to the Annual Financial Statements

1 Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

| | 2014/15 | | 2013/14 | |
|-------------------------------------|---------------------|-----------------------|-----------------------------------|------------------------|
| | Final Appropriation | Actual Funds Received | Funds not requested/ not received | Appropriation Received |
| | R'000 | R'000 | R'000 | R'000 |
| Administration | 956 283 | 1 028 430 | (72 147) | 978 606 |
| Water Sector Management | 503 641 | 576 672 | (73 031) | 517 136 |
| Water Infrastructure Management | 2 919 422 | 2 919 422 | - | 2 565 203 |
| Regional Implementation and Support | 9 070 830 | 8 830 900 | 239 930 | 6 138 895 |
| Water Sector Regulation | 163 099 | 141 606 | 21 493 | 117 783 |
| International Water Cooperation | 34 126 | 32 456 | 1 670 | 25 443 |
| Total | 13 647 401 | 13 529 486 | 117 915 | 10 343 066 |

Reason(s) for funds not requested/not received:-

The new drawings for the month of October was R1 197 727, we have requested according to the old schedule an amount of R1 080 812 leaving a difference of R 116 915. The reason for this was that the month of October 2014 was already closed for requesting when we received the new schedule.

In January there was an error when capturing the funds and this led to the under request of funds by R1 000. The net-effect is funds not received not requested resulted into R117 915 (R116 916 + R1 000) as reported above.

| | | | | |
|------------|--------------------------------------------------------------|-------------|--------------------------|--------------------------|
| 1.2 | Conditional grants | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Total grants received | 46 | 1 050 790 | - |
| 2 | Departmental revenue | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Tax revenue | | | |
| | Sales of goods and services other than capital assets | 2.1 | 2 360 | 2 783 |
| | Interest, dividends and rent on land | 2.2 | 2 544 | 4 612 |
| | Transactions in financial assets and liabilities | 2.3 | 10 366 | 58 555 |
| | Transfer received | 2.4 | 63 | - |
| | Departmental revenue collected | | 15 333 | 65 950 |
| 2.1 | Sales of goods and services other than capital assets | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | | 2 | | |
| | Sales of goods and services produced by the department | | 2 356 | 2 774 |
| | Sales by market establishment | | 935 | 1 000 |
| | Administrative fees | | 67 | |
| | Other sales | | 1 354 | 1 774 |
| | Sales of scrap, waste and other used current goods | | 4 | 9 |
| | Total | | 2 360 | 2 783 |
| 2.2 | Interest, dividends and rent on land | | | |
| | | Note | 2014/15 R'000 | 2014/15 R'000 |
| | | 2 | | |
| | Interest | | 2 544 | 4 612 |
| | Total | | 2 544 | 4 612 |

| | | | | |
|------------|---------------------------------------------------------|-------------|------------------|------------------|
| 2.3 | Transactions in financial assets and liabilities | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 2 | R'000 | R'000 |
| | Receivables | | 6 496 | 36 334 |
| | Stale cheques written back | | 3 | 1 |
| | Other Receipts including Recoverable Revenue | | 3 867 | 22 220 |
| | Total | | 10 366 | 58 555 |
| 2.4 | Transfers received | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 3 | R'000 | R'000 |
| | Public corporations and private enterprises | | 63 | - |
| | Total | | 63 | - |
| 3 | Aid assistance | | | |
| | | Note | 2014/15 | 2013/14 |
| | | | R'000 | R'000 |
| | Opening Balance | | - | 6 942 |
| | Revenue | | - | 7 088 |
| | Expenditure | | - | (7 088) |
| | Current | | - | (7 088) |
| | Capital | | - | - |
| | Paid during the year | | - | (6 942) |
| | Closing Balance | | - | - |
| 4 | Compensation of employees | | | |
| 4.1 | Salaries and Wages | | | |
| | | Note | 2014/15 | 2013/14 |
| | | | R'000 | R'000 |
| | Basic salary | | 897 509 | 775 461 |
| | Performance award | | 15 127 | 13 216 |
| | Service Based | | 2 940 | 3 108 |
| | Compensative/circumstantial | | 14 245 | 11 862 |
| | Periodic payments | | 271 | 718 |
| | Other non-pensionable allowances | | 191 510 | 169 287 |
| | Total | | 1 121 602 | 973 652 |
| 4.2 | Social contributions | | | |
| | | Note | 2014/15 | 2013/14 |
| | | | R'000 | R'000 |
| | Employer contributions | | | |
| | Pension | | 107 607 | 93 514 |
| | Medical | | 46 212 | 44 970 |
| | UIF | | 1 | 2 |
| | Bargaining council | | 283 | 198 |
| | Total | | 154 103 | 138 684 |
| | Total compensation of employees | | 1 275 705 | 1 112 336 |
| | Average number of employees | | 3 736 | 3 701 |

| | | | | |
|------------|-----------------------------------------------------------|-------------------|--------------------------|--------------------------|
| 5 | Goods and services | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Administrative fees | | 5 461 | 7 336 |
| | Advertising | | 38 215 | 20 750 |
| | Minor assets | 5.1 | 5 975 | 4 639 |
| | Bursaries (employees) | | 3 382 | 2 471 |
| | Catering | | 7 199 | 9 617 |
| | Communication | | 43 760 | 36 818 |
| | Computer services | 5.2 | 127 068 | 125 789 |
| | Consultants: Business and advisory services | | 134 984 | 183 792 |
| | Infrastructure and planning services | | 141 218 | 167 941 |
| | Laboratory services | | 3 473 | 3 526 |
| | Legal services | | 6 826 | 8 917 |
| | Contractors | | 132 751 | 106 028 |
| | Agency and support / outsourced services | | 55 710 | 31 443 |
| | Entertainment | | 168 | 557 |
| | Audit cost – external | 5.3 | 22 955 | 22 961 |
| | Fleet services | | 1 725 | 1 030 |
| | Inventory | 5.4 | 29 804 | 17 705 |
| | Consumables | 5.5 | 22 776 | 24 554 |
| | Operating leases | | 231 763 | 231 815 |
| | Property payments | 5.6 | 52 908 | 67 044 |
| | Rental and hiring | | 2 336 | 2 388 |
| | Transport provided as part of the departmental activities | | 620 | 36 |
| | Travel and subsistence | 5.7 | 203 634 | 230 341 |
| | Venues and facilities | | 9 952 | 16 009 |
| | Training and development | | 17 026 | 22 445 |
| | Other operating expenditure | 5.8 | 17 124 | 14 921 |
| | Total | | 1 318 813 | 1 360 873 |
| 5.1 | Minor assets | | | |
| | | Note 5 | 2014/15 R'000 | 2013/14 R'000 |
| | Tangible assets | | 5 970 | 4 637 |
| | Machinery and equipment | | 5 933 | 4 637 |
| | Transport assets | | 37 | - |
| | Intangible assets | | 5 | 2 |
| | Software | | 5 | 2 |
| | Total | | 5 975 | 4 639 |
| 5.2 | Computer services | | | |
| | | Note 5 | 2014/15 R'000 | 2013/14 R'000 |
| | SITA computer services | | 20 136 | 24 946 |
| | External computer service providers | | 106 932 | 100 843 |
| | Total | | 127 068 | 125 789 |
| 5.3 | Audit cost – External | | | |
| | | Note 5 | 2014/15 R'000 | 2013/14 R'000 |
| | Regularity audits | | 22 955 | 21 856 |
| | Investigations | | - | 365 |
| | Computer audits | | - | 740 |
| | Total | | 22 955 | 22 961 |

| | | | | |
|--------------|-------------------------------------------------------|--------------|----------------|----------------|
| 5.4 | Inventory | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 5 | R'000 | R'000 |
| | Clothing material and accessories | | 3 068 | 2 438 |
| | Farming supplies | | 73 | 185 |
| | Food and food supplies | | 116 | 776 |
| | Fuel, oil and gas | | 1 869 | 3 357 |
| | Learning, teaching and support material | | 9 | 1 |
| | Materials and supplies | | 8 110 | 4 835 |
| | Medical supplies | | 142 | 40 |
| | Other supplies | 5.5.1 | 16 417 | 6 073 |
| | Total | | 29 804 | 17 705 |
| 5.4.1 | Other supplies | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 5.4 | R'000 | R'000 |
| | Assets for distribution | | 12 618 | 3 623 |
| | Other assets for distribution | | 12 618 | 3 623 |
| | Other | | 3 799 | 2 450 |
| | Total | | 16 417 | 6 073 |
| 5.5 | Consumables | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 5 | R'000 | R'000 |
| | Consumable supplies | | 7 120 | 5 451 |
| | Uniform and clothing | | 648 | 306 |
| | Household supplies | | 4 521 | 3 309 |
| | Building material and supplies | | 609 | 604 |
| | Communication accessories | | - | 9 |
| | IT consumables | | 540 | 691 |
| | Other consumables | | 802 | 532 |
| | Stationery, printing and office supplies | | 15 656 | 19 103 |
| | Total | | 22 776 | 24 554 |
| 5.6 | Property payments | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 5 | R'000 | R'000 |
| | Municipal services | | 26 955 | 32 856 |
| | Property management fees | | - | - |
| | Property maintenance and repairs | | 12 148 | 4 428 |
| | Other | | 13 805 | 29 760 |
| | Total | | 52 908 | 67 044 |
| 5.7 | Travel and subsistence | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 5 | R'000 | R'000 |
| | Local | | 192 966 | 212 739 |
| | Foreign | | 10 668 | 17 602 |
| | Total | | 203 634 | 230 341 |
| 5.8 | Other operating expenditure | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 5 | R'000 | R'000 |
| | Professional bodies, membership and subscription fees | | 1 305 | 662 |
| | Resettlement costs | | 3 268 | 3 626 |
| | Other | | 12 551 | 10 633 |
| | Total | | 17 124 | 14 921 |

| | | | | |
|------------|-------------------------------------------------------------|-------------------|--------------------------|--------------------------|
| 6 | Interest and rent on land | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Interest paid | | 1 035 | 58 |
| | Rent on land | | 47 | - |
| | Total | | 1 082 | 58 |
| 7 | Payments for financial assets | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Other material losses written off | 7.1 | 64 | 17 749 |
| | Debts written off | 7.2 | 59 | 34 293 |
| | Total | | 123 | 52 042 |
| 7.1 | Other material losses written off | | | |
| | | Note 7 | 2014/15 R'000 | 2013/14 R'000 |
| | Nature of losses | | | |
| | Prepayments and Advances | | 10 | 8 897 |
| | Claims Recoverable | | - | 8 843 |
| | Salary Control Accounts | | 54 | 9 |
| | Total | | 64 | 17 749 |
| 7.2 | Debts written off | | | |
| | | Note 7 | 2014/15 R'000 | 2013/14 R'000 |
| | Nature of debts written off | | | |
| | Recoverable debt written off | | | |
| | Staff debts | | 59 | - |
| | Total | | 59 | - |
| | Other debt written off | | | |
| | Loans and State Guarantees | | - | 27 840 |
| | Staff Debts | | - | 6 453 |
| | Total | | - | 34 293 |
| | Total debt written off | | 59 | 34 293 |
| 8 | Transfers and subsidies | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Provinces and municipalities | 38, 39, Annex 1A | 1 051 353 | 1 022 773 |
| | Departmental agencies and accounts | Annex 1B | 2 739 536 | 2 437 071 |
| | Foreign governments and international organisations | Annex 1E | 185 176 | 182 254 |
| | Public corporations and private enterprises | Annex 1D | 579 919 | 244 161 |
| | Non-profit institutions | Annex 1F | 1 803 | 1 181 |
| | Households | Annex 1G | 31 012 | 26 502 |
| | Total | | 4 588 799 | 3 913 942 |
| | Unspent funds transferred to the above beneficiaries | | | |

| | | | | |
|------------|---------------------------------------------------------------------------------------------|------------------------------|---------------------------------|--------------------------|
| 9 | Expenditure for capital assets | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Tangible assets | | 4 421 877 | 3 800 734 |
| | Buildings and other fixed structures | 34.1 | 4 368 386 | 3 751 093 |
| | Machinery and equipment | 32.1 | 53 491 | 49 641 |
| | Intangible assets | | 10 283 | 6 257 |
| | Software | 33.1 | 10 283 | 6 257 |
| | Total | | 4 432 160 | 3 806 991 |
| | The following amounts have been included as project costs in Expenditure for capital assets | | | |
| | Compensation of employees | | - | - |
| | Goods and services | | - | - |
| | Total | | - | - |
| 9.1 | Analysis of funds utilised to acquire capital assets – 2014/15 | | | |
| | | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
| | Tangible assets | 4 421 877 | - | 4 421 877 |
| | Buildings and other fixed structures | 4 368 386 | - | 4 368 386 |
| | Machinery and equipment | 53 491 | - | 53 491 |
| | Intangible assets | 10 283 | - | 10 283 |
| | Software | 10 283 | - | 10 283 |
| | Total | 4 432 160 | - | 4 432 160 |
| 9.2 | Analysis of funds utilised to acquire capital assets – 2013/14 | | | |
| | | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
| | Tangible assets | 3 800 734 | - | 3 800 734 |
| | Buildings and other fixed structures | 3 751 093 | - | 3 751 093 |
| | Machinery and equipment | 49 641 | - | 49 641 |
| | Intangible assets | 6 257 | - | 6 257 |
| | Software | 6 257 | - | 6 257 |
| | Total | 3 806 991 | - | 3 806 991 |
| 9.3 | Finance lease expenditure included in Expenditure for capital assets | | | |
| | | Note | 2014/15 R'000 | |
| | Tangible assets | | | |
| | Machinery and equipment | | - | |
| | Total | | - | |

| | | | | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------|--------------------------|
| 10 | Unauthorised expenditure | | | |
| 10.1 | Reconciliation of unauthorised expenditure | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Opening balance | | 3 782 | 3 782 |
| | Prior year error | | | - |
| | Unauthorised expenditure awaiting authorisation / written off | | 3 782 | 3 782 |
| | Analysis of awaiting authorisation per economic classification | | | |
| | Current | | 495 | 495 |
| | Transfers and subsidies | | 3 287 | 3 287 |
| | Total | | 3 782 | 3 782 |
| 10.2 | Analysis of unauthorised expenditure awaiting authorisation per economic classification | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Current | | 495 | 495 |
| | Transfers and subsidies | | 3 287 | 3 287 |
| | Total | | 3 782 | 3 782 |
| 10.3 | Analysis of unauthorised expenditure awaiting authorisation per type | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Unauthorised expenditure relating to overspending of the vote or a main division within a vote | | 495 | 495 |
| | Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division | | 3 287 | 3 287 |
| | Total | | 3 782 | 3 782 |
| 11 | Cash and cash equivalents | | | |
| | | Note | 2013/14 R'000 | 2013/14 R'000 |
| | Consolidated Paymaster General Account | | 1 883 568 | 55 737 |
| | Disbursements | | - | 27 |
| | Cash on hand | | 82 | 93 |
| | Investments (Domestic) | | 364 | 147 |
| | Total | | 1 884 014 | 56 004 |
| | Indicate the amount of significant cash and cash equivalent balances held by the department that are amounts with commercial banks. | | | |
| 12 | Prepayments and advances | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Travel and subsistence | | 87 | 22 |
| | Advances paid | 12.1 | 3 580 | 48 896 |
| | Total | | 3 667 | 48 918 |
| 12.1 | Advances paid | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | National departments | 12 | 2 247 | 9 589 |
| | Provincial departments | | 1 333 | 11 097 |
| | Public entities | | - | 28 210 |
| | Total | | 3 580 | 48 896 |

| | | | | | | | |
|-------------|--------------------------------------------------------|------------------------|-----------------------------------------------------|-----------------------------------------|---------------------------------------------------------|--------------------------|------------------------|
| 13 | Receivables | | | | | | |
| | | Note | 2014/15 R'000 Less than one year | R'000 One to three years | 2013/14 R'000 Older than three years | R'000 Total | R'000 Total |
| | Claims recoverable | 13.1 Annex 4 | 458 | - | - | 458 | 9 241 |
| | Recoverable expenditure | 13.2 | 22 170 | - | - | 22 170 | 9 930 |
| | Staff debt | 13.3 | 5 821 | - | - | 5 821 | 4 352 |
| | Total | | 28 449 | - | - | 28 449 | 23 523 |
| 13.1 | Claims recoverable | | | | | | |
| | | Note 13 | 2014/15 R'000 | | | 2013/14 R'000 | |
| | National departments | | 454 | | | 9 240 | |
| | Provincial departments | | - | | | 1 | |
| | Private enterprises | | 4 | | | - | |
| | Total | | 458 | | | 9 241 | |
| 13.2 | Recoverable expenditure (disallowance accounts) | | | | | | |
| | | Note 13 | 2014/15 R'000 | | | 2013/14 R'000 | |
| | Sal: Deduction Disallowance Acc | | - | | | 60 | |
| | Sal: Reversal Control Acc | | 63 | | | 40 | |
| | Sal: Tax Debt | | 7 | | | 5 | |
| | Disallowance Dishonoured Cheques | | - | | | 1 370 | |
| | Disallowance Payment Fraud: CA | | 4 553 | | | 4 909 | |
| | Disallowance Miscellaneous: CA | | 17 547 | | | 3 546 | |
| | Total | | 22 170 | | | 9 930 | |
| 13.3 | Staff debt | | | | | | |
| | | Note 15 | 2014/15 R'000 | | | 2013/14 R'000 | |
| | Salary Overpayment | | 1 598 | | | 1 288 | |
| | Bursary(Breach of contract) | | 2 158 | | | 1 829 | |
| | State Guarantees | | 7 | | | 10 | |
| | T&S Advance: Dom | | 7 | | | 14 | |
| | GG Accidents | | 93 | | | 117 | |
| | Telephone Debt | | 694 | | | 9 | |
| | Departmental Debt/Employees/ Ex-employees/ Other | | 1 258 | | | 1 085 | |
| | Tax Debt | | 6 | | | - | |
| | Total | | 5 821 | | | 4 352 | |

| | | | | |
|-------------|------------------------------------------------------------------------------------|-------------|------------------|----------------|
| 13.4 | Impairment of receivables | | | |
| | | Note | 2014/15 | 2013/14 |
| | | 13 | R'000 | R'000 |
| | Estimate of impairment of receivables | | 2 156 | 1 288 |
| | Total | | 2 156 | 1 288 |
| 14 | Loans | | | |
| | | Note | 2014/15 | 2013/14 |
| | | | R'000 | R'000 |
| | Public corporations | | 10 318 | 13 346 |
| | Total | | 10 318 | 13 346 |
| | Analysis of Balance | | | |
| | Opening balance | | 13 346 | 56 992 |
| | New Issues | | 502 | 2 719 |
| | Repayments | | (3 530) | (4 768) |
| | Write-offs | | - | (41 597) |
| | Closing balance | | 10 318 | 13 346 |
| 15 | Voted funds to be surrendered to the Revenue Fund | | | |
| | | Note | 2014/15 | 2013/14 |
| | | | R'000 | R'000 |
| | Opening balance | | 96 824 | 351 654 |
| | Prior period error | 15.1 | | - |
| | As restated | | 96 824 | 351 654 |
| | Transfer from statement of financial performance (as restated) | | 2 030 719 | 129 312 |
| | Voted funds not requested/not received | 1.1 | | |
| | | | (32 488) | (117 915) |
| | Paid during the year | | (96 830) | (351 654) |
| | Closing balance | | 1 912 798 | 96 824 |
| 15.1 | Prior period error (affecting Voted funds to be surrendered) | | | |
| | | Note | | 2014/15 |
| | | 15 | | R'000 |
| | Nature of prior period error | | | |
| | Relating to 2012/13 | | | - |
| | | | | - |
| | | | | - |
| | Relating to 2013/14 | | | - |
| | | | | - |
| | | | | - |
| | Total | | | - |
| 16 | Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | | | |
| | | Note | 2014/15 | 2013/14 |
| | | | R'000 | R'000 |
| | Opening balance | | 29 343 | 516 |
| | Prior period error | 16.1 | | - |
| | As restated | | 29 343 | 516 |
| | Transfer from Statement of Financial Performance (as restated) | | 15 333 | 65 950 |
| | Paid during the year | | (44 494) | (37 123) |
| | Closing balance | | 182 | 29 343 |

| | | | | |
|-------------|------------------------------------------------------------------------------|----------------|----------------------|----------------------|
| 16.1 | Prior period error (affecting Departmental revenue to be surrendered) | | | |
| | | Note 19 | | 2014/15 R'000 |
| | Nature of prior period error | | | |
| | Relating to 2012/13 | | | - |
| | | | | - |
| | | | | - |
| | Relating to 2013/14 | | | - |
| | | | | - |
| | | | | - |
| | Total | | | - |
| 17 | Bank Overdraft | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Overdraft with commercial banks (Local) | | 25 | 2 |
| | Total | | 25 | 2 |
| 18 | Payables – current | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Amounts owing to other entities | | 2 107 | - |
| | Clearing accounts | 18.1 | 743 | 429 |
| | Total | | 2 850 | 429 |
| 18.1 | Clearing accounts | | | |
| | | Note 21 | 2014/15 R'000 | 2013/14 R'000 |
| | Description | | | |
| | Sal: Income Tax | | 370 | 225 |
| | Sal: Pension Fund: CL | | 34 | 59 |
| | Cash Clearing | | 339 | 145 |
| | Total | | 743 | 429 |
| 19 | Net cash flow available from operating activities | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Net surplus/(deficit) as per Statement of Financial Performance | | 2 044 219 | 195 262 |
| | Add back non cash/cash movements not deemed operating activities | | 4 215 667 | 3 750 878 |
| | (Increase)/decrease in receivables – current | | (4 926) | 79 968 |
| | (Increase)/decrease in prepayments and advances | | 45 251 | 298 312 |
| | Increase/(decrease) in payables – current | | 2 421 | (6 186) |
| | Expenditure on capital assets | | 4 432 160 | 3 806 991 |
| | Surrenders to Revenue Fund | | (141 324) | (388 777) |
| | Surrenders to RDP Fund/Donor | | - | (6 942) |
| | Voted funds not requested/not received | | (117 915) | (32 488) |
| | Net cash flow generated by operating activities | | 6 261 719 | 3 946 140 |

| | | | | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------|--------------------------|
| 20 | Reconciliation of cash and cash equivalents for cash flow purposes | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Consolidated Paymaster General account | | 1 883 568 | 55 737 |
| | Disbursements | | - | 27 |
| | Cash on hand | | 82 | 93 |
| | Cash with commercial banks (Local) | | 339 | 145 |
| | Total | | 1 883 989 | 56 002 |
| 21 | Contingent liabilities and contingent assets | | | |
| 21.1 | Contingent liabilities | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Liable to | | | |
| | Nature | | | |
| | Housing loan guarantees Employees | Annex 3A | 319 | 378 |
| | Other guarantees | Annex 3A | 21 399 188 | 21 767 879 |
| | Claims against the department | Annex 3B | 81 904 | 58 958 |
| | Intergovernmental payables (unconfirmed balances) | Annex 5 | 959 169 | - |
| | Total | | 22 443 401 | 21 827 215 |
| | Prior year balance for claims against the department was adjusted from R36 669 reported in 2013/14 to R58 958 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is that the opening balance has increased by R22 289. | | | |
| 21.2 | Contingent assets | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Nature of contingent asset | | | |
| | Best Trading Enterprises | | 350 | 350 |
| | SJ Dube | | 2 108 | 2 108 |
| | JS Nkuna | | 679 | 679 |
| | Total | | 3 137 | 3 137 |
| | Prior year balance for claims by the department was adjusted from R80 reported in 2013/14 to R3 137 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R3 057. | | | |
| 22 | Commitments | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Current expenditure | | | |
| | Approved and contracted | | 422 073 | 684 548 |
| | Approved but not yet contracted | | 65 621 | 168 778 |
| | | | 487 694 | 853 326 |
| | Capital expenditure | | | |
| | Approved and contracted | | 34 944 814 | 35 673 102 |
| | Approved but not yet contracted | | - | - |
| | | | 34 944 814 | 35 673 102 |
| | Total Commitments | | 35 432 508 | 36 526 428 |
| | The total amount includes commitments to be paid beyond 2014/15 financial year. | | | |
| | Prior year balance for Commitments was adjusted from R5 382 616 reported in 2013/14 to R36 526 428 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R31 143 812. | | | |

| | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------|--------------------------|
| 23 | Accruals and payables not recognised | | | |
| | Listed by economic classification | | 2014/15 R'000 | 2013/14 R'000 |
| | | 30 Days | 30+ Days | Total |
| | Goods and services | 40 003 | 2 466 | 42 470 |
| | Transfers and subsidies | 215 | - | 215 |
| | Capital assets | 386 095 | 940 669 | 1 326 765 |
| | Total | 426 314 | 943 136 | 1 369 450 |
| | | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Administration | | 17 871 | 53 904 |
| | Water Sector Management | | 5 647 | 11 258 |
| | Water Infrastructure Management | | 26 702 | 78 |
| | Regional Implementation and Support | | 1 316 663 | 1 078 086 |
| | Water Sector Regulation | | 1 725 | 1 676 |
| | International Water Cooperation | | 841 | 361 |
| | Total | | 1 369 450 | 1 145 363 |
| | | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Confirmed balances with other departments | Annex 5 | 584 | 120 |
| | Confirmed balances with other government entities | Annex 5 | 959 137 | |
| | Total | | 959 721 | 120 |
| | <p>The total amount includes accruals to be paid beyond 2014/15 financial year.</p> <p>Prior year balance for Accruals was adjusted from R1 071 700 reported in 2013/14 to R1 145 363 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R73 663.</p> | | | |
| | | | | |

| | | | | | | |
|----|-----------------------------------|--|------|---------|---------|--|
| 24 | Employee benefits | | | | | |
| | | | Note | 2014/15 | 2013/14 | |
| | | | | R'000 | R'000 | |
| | Leave entitlement | | | 56 938 | 54 644 | |
| | Service bonus (Thirteenth cheque) | | | 33 816 | 29 988 | |
| | Performance awards | | | 14 996 | 13 089 | |
| | Capped leave commitments | | | 86 046 | 82 476 | |
| | Total | | | 191 796 | 180 197 | |

| | | | | | | |
|------|----------------------------------------------|--------------------------------|------|--------------------------------------|-------------------------|---------|
| 25 | Lease commitments | | | | | |
| 25.1 | Operating leases expenditure | | | | | |
| | 2014/15 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| | Not later than 1 year | - | - | 167 073 | - | 167 073 |
| | Later than 1 year and not later than 5 years | - | - | 393 067 | - | 393 067 |
| | Later than five years | - | - | - | - | - |
| | Total lease commitments | - | - | 560 140 | - | 560 140 |
| | | | | | | |
| | 2013/14 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| | Not later than 1 year | - | - | 144 856 | - | 144 856 |
| | Later than 1 year and not later than 5 years | - | - | 502 210 | - | 502 210 |
| | Later than five years | - | - | 32 061 | - | 32 061 |
| | Total lease commitments | - | - | 679 127 | - | 679 127 |
| | | | | | | |
| | | | | Note | 2014/15 | 2013/14 |
| | | | | | R'000 | R'000 |
| | Rental earned on sub-leased assets | | | 2 | - | - |
| | Total | | | | - | - |
| | | | | | | |
| 25.2 | Finance leases expenditure** | | | | | |
| | 2014/15 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| | Not later than 1 year | - | - | - | 11 341 | 11 341 |
| | Later than 1 year and not later than 5 years | - | - | - | 4 944 | 4 944 |
| | Later than five years | - | - | - | - | - |
| | Total lease commitments | - | - | - | 16 285 | 16 285 |
| | | | | | | |

| | 2013/14 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------|--------------------------------------|-------------------------|---------------|
| | Not later than 1 year | - | | - | 6 424 | 6 424 |
| | Later than 1 year and not later than 5 years | - | - | - | 4 357 | 4 357 |
| | Total lease commitments | - | - | - | 10 781 | 10 781 |
| | **This note excludes leases relating to public private partnership as they are separately disclosed to note no. 35. | | | | | |
| | | | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Rental earned on sub-leased assets | | | 2 | - | - |
| | Total | | | | - | - |
| 25.3 | Operating lease revenue** | | | | | |
| | 2014/15 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| | Not later than 1 year | - | - | - | - | - |
| | Later than 1 year and not later than 5 years | - | - | - | - | - |
| | Later than five years | - | - | - | - | - |
| | Total operating lease revenue receivable | - | - | - | - | - |
| | 2013/14 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
| | Not later than 1 year | - | - | - | - | - |
| | Later than 1 year and not later than 5 years | - | - | - | - | - |
| | Later than five years | - | - | - | - | - |
| | Total operating lease revenue receivable | - | - | - | - | - |
| | Provide a description of the leasing arrangement including renewal or purchase options as well as escalation clauses (if any) | | | | | |

| | | | | |
|-------------|------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------|--------------------------|
| 26 | Irregular expenditure | | | |
| 26.1 | Reconciliation of irregular expenditure | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 |
| | Opening balance | | 243 866 | 1 077 876 |
| | Prior period errors | | | - |
| | As restated | | 243 866 | 1 077 876 |
| | Add: Irregular expenditure – relating to prior year | | | 653 |
| | Add: Irregular expenditure – relating to current year | | 87 936 | 85 935 |
| | Less: Prior year amounts condoned | | (1 640) | (920 598) |
| | Irregular expenditure awaiting condonation | | 330 162 | 243 866 |
| | Analysis of awaiting condonation per age classification | | | |
| | Current year | | 87 936 | 85 935 |
| | Prior years | | 242 226 | 157 931 |
| | Total | | 330 162 | 243 866 |
| 26.2 | Details of irregular expenditure – current year | | | |
| | Incident | Disciplinary steps taken/criminal proceedings | 2014/15 R'000 | |
| | Contract were extended without approval | Transaction under investigation | 93 | |
| | Three quotations not attached | Transaction under investigation | 427 | |
| | Bid awarded to bidder who quoted the highest price with low functionality points | Transaction under investigation | 565 | |
| | Bid Awarded to bidder who scored the lowest | Transaction under investigation | 673 | |
| | Bidder did not qualify on functionality but was evaluated on price and BBBEE | Transaction under investigation | 2 449 | |
| | Catering procured without the approval of the delegated authority | Transaction under investigation | 162 | |
| | Evaluation of tender was wrong | Transaction under investigation | 589 | |
| | Expenditure exceeds the budget | Transaction under investigation | 700 | |
| | Motivation for deviation not adequate | Transaction under investigation | 790 | |
| | No competitive quotations were obtained | Transaction under investigation | 27 | |
| | No declaration of interest (SBD4) by the bidders | Transaction under investigation | 14 | |
| | No deviation sought for sourcing one quotation (Deviation for Practice Note 8 2007/2008) | Transaction under investigation | 19 | |
| | Non-compliance with SITA Act | Transaction under investigation | 77 650 | |
| | Non-adherence to Circular | Transaction under investigation | 25 | |
| | Expenditure incurred after the expiry of the contract | Transaction under investigation | 448 | |
| | Only one quote was sourced | Transaction under investigation | 136 | |
| | Payment authorised by person without delegation | Transaction under investigation | 14 | |
| | Quotation not evaluated according to PPPFA | Transaction under investigation | 418 | |
| | Extension of the contract not approved | Transaction under investigation | 2 043 | |
| | Others | | 694 | |
| | Total | | 87 936 | |

| | | | |
|-------------|--------------------------------------------------------------------|------------------------------------------|--------------------------|
| 26.3 | Details of irregular expenditure – condoned | | |
| | Incident | Condoned by (condoning authority) | 2014/15 R'000 |
| | SCM processes were not followed | | 390 |
| | SCM processes were not followed | | 440 |
| | Utilising WTE contract without approval | | 28 |
| | Goods & Services acquired without three quotes | | 18 |
| | Extension of the contract exceeded without approval | | 685 |
| | Overtime payment in excess of 30% | Financial Management | 3 |
| | Conference expenditure approved by an unauthorised delegation | Acquisition Committee (FMAC) | 8 |
| | Conference expenditure approved by an unauthorised delegation | | 7 |
| | Conference expenditure approved by an Unauthorised delegation | | 32 |
| | Minimum number of quotes not obtained | | 29 |
| | Total | | 1 640 |
| 26.4 | Prior period error | | |
| | | Note 26 | 2014/15 R'000 |
| | Nature of prior period error | | |
| | Relating to 2012/13 | | - |
| | Audited amount | | - |
| | Restated amount | | - |
| | Relating to 2013/14 | | 71 383 |
| | Audited amount | | 172 483 |
| | Restated amount | | 243 866 |
| | Total | | 71 383 |
| 27 | Fruitless and wasteful expenditure | | |
| 27.1 | Reconciliation of fruitless and wasteful expenditure | | |
| | | Note | 2014/15 R'000 |
| | | | 2013/14 R'000 |
| | Opening balance | | 26 480 |
| | Prior period errors | | - |
| | As restated | | 26 480 |
| | Fruitless and wasteful expenditure – relating to current year | | 1 545 |
| | Fruitless and wasteful expenditure awaiting resolution | | 28 025 |
| 27.2 | Analysis of awaiting resolution per economic classification | | |
| | | 2014/15 R'000 | 2013/14 R'000 |
| | Current | 26 259 | 24 836 |
| | Capital | 1 766 | 1 644 |
| | Total | 28 025 | 26 480 |

| | | | |
|-------------|------------------------------------------------------------------------|------------------------------------------------------|----------------------|
| 27.3 | Analysis of Current year's fruitless and wasteful expenditure | | |
| | Incident | Disciplinary steps taken/criminal proceedings | 2014/15 R'000 |
| | Accommodation booked but not utilised | Expenses under investigations | 112 |
| | Claims | Expenses under investigations | 1 |
| | Catering service ordered where (No proof of attendance is available) | Expenses under investigations | 11 |
| | Cellphone contract termination costs | Expenses under investigations | 178 |
| | Interest | Expenses under investigations | 1 036 |
| | Vehicle License Renewal Penalties | Expenses under investigations | 27 |
| | Other | Expenses under investigations | 180 |
| | Total | | 1 545 |
| 28 | Related party transactions | | |
| | Revenue received | Note | 2014/15 R'000 |
| | | | 2013/14 R'000 |
| | Sales of goods and services other than capital assets | | - |
| | Total | | - |
| | Payments made | Note | 2014/15 R'000 |
| | | | 2013/14 R'000 |
| | Goods and services | | - |
| | Total | | - |
| | | Note | 2014/15 R'000 |
| | | | 2013/14 R'000 |
| | Year end balances arising from revenue/payments | | |
| | Receivables from related parties | | - |
| | Payables to related parties | | 959 137 |
| | Total | | 959 137 |
| | | | |
| | | | 2014/15 R'000 |
| | | | 2013/14 R'000 |
| | Loans to /from related parties | Note | |
| | Non-interest bearing loans to/(from) | | - |
| | Interest bearing loans to/(from) | | - |
| | Total | | - |
| | | | |
| | | Note | 2014/15 R'000 |
| | | | 2013/14 R'000 |
| | Other | | |
| | Guarantees issued/received | | - |
| | List other contingent liabilities between department and related party | | - |
| | Total | | - |

| | Note | 2014/15 | 2013/14 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------|----------------|
| | | R'000 | R'000 |
| In kind goods and services provided/received | | | |
| List in kind goods and services between the department and the related party | | - | - |
| Total | | - | - |
| All departments and public entities in the national sphere of government are related parties. Below is the listing of related parties:- | | | |
| National Treasury, National Department of Agriculture, Forestry & Fisheries, National Department of Arts & Culture, National Department of Basic Education, Civilian Secretariat for Police, National Department of Communications, National Department of Cooperative Governance & Traditional Affairs, National Department of Correctional Services, National Department of Defence National Department of Economic Development, National Department of Energy, National Department of Environmental Affairs, National Department of Government Communication and Information System (GCIS), National Department of Health, National Department of Higher Education & Training, National Department of Home Affairs, National Department of Human Settlements, National Department of Independent Police Investigative Directorate, National Department of International Relations & Cooperation, National Department of Justice & Constitutional Development, National Department of Labour, National Department of Military Veterans, National Department of Mineral Resources, National School of Government, National Department of Performance Monitoring & Evaluation, National Department of Public Enterprises, National Department of Public Service Administration, National Department of Public Service Commission, National Department of Public Works, National Department of Rural Development & Land Reform, National Department of Science & Technology, National Department of Social Development, National Department of South African Police services, National Department of South African Revenue Services, National Department of Small Business Development, National Department of State Security Agency, National Department of Sport & Recreation South Africa, National Department of Statistics South Africa, National Department of Telecommunications & Postal Services, National Department of Tourism, National Department of Trade & Industry, Traditional Affairs, National Department of Transport, National Department of Women, The Presidency and all public entities in the national sphere of government. | | | |
| 29 | Key management personnel | | |
| | | No. of Individuals | 2014/15 |
| | | | R'000 |
| | Political office bearers (provide detail below) | 2 | 4 103 |
| | Officials: | | |
| | Level 15 to 16 | 12 | 13 188 |
| | Level 14 (incl. CFO if at a lower level) | 37 | 37 193 |
| | Family members of key management personnel | 1 | 131 |
| | Total | | 54 615 |
| | | | 46 880 |
| Included in the line item Consultants in note 5 for Goods & Services, there is an amount paid for the Business Process Review (BPR) committee amounting to R2 982 (prior year R7 615). The committee was appointed by the minister to review and advise the minister on the business processes re-engineering of the Departments. The committee looks at the overall government mandate given to the Department. The relevance of the Department Strategic Plan to the overall priorities of the government and evaluate all legal instruments. Remuneration is as per below:- | | | |

| | | | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|--------------------|--------------------------|
| | | Note | 2014/15 R'000 | 2013/14 R'000 | |
| | Mr. AZ Dlamini | | - | 217 | |
| | Prof GM Nkondo | | 20 | 348 | |
| | Mr. T Modise | | 477 | 1 010 | |
| | Ms.Mabandla | | 189 | 772 | |
| | Mr. R Motsepe | | - | 45 | |
| | In Touch Training cc | | 529 | 1 462 | |
| | Rocalistep (Pty) Ltd | | 497 | 1 375 | |
| | Mr. W Metcalfe | | 776 | 1 116 | |
| | Pegasys Strategy and Development | | 155 | 604 | |
| | Mr. J Kanjere | | - | 67 | |
| | Dr. T Mkhonto | | 85 | 599 | |
| | Ms. LI Nelufule | | 255 | - | |
| | Total | | 2 982 | 7 615 | |
| | | | | | |
| 30 | Impairment: other | | | | |
| | | Note | 2014/15 R'000 | 2013/14 R'000 | |
| | Staff Debtors | | 2 156 | 1 288 | |
| | Total | | 2 156 | 1 288 | |
| | | | | | |
| | | | | | |
| 31 | Non-adjusting events after reporting date | | | | |
| | | | | 2014/15 R'000 | |
| | Nature of event | | | | |
| | Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made. | | | - | |
| | Total | | | - | |
| | | | | | |
| 32 | Movable Tangible Capital Assets | | | | |
| | | | | | |
| | MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | |
| | | Opening balance R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
| | MACHINERY AND EQUIPMENT | 282 670 | 37 634 | 1 617 | 318 687 |
| | Transport assets | 12 271 | 2 201 | 688 | 13 784 |
| | Computer equipment | 74 810 | 22 079 | 167 | 96 722 |
| | Furniture and office equipment | 42 937 | 5 080 | 635 | 47 382 |
| | Other machinery and equipment | 152 652 | 8 274 | 127 | 160 799 |
| | TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 282 670 | 37 634 | 1 617 | 318 687 |
| | | | | | |

| | | | | | | |
|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|--------|---------------|---------------------------------------------------------------------|---------------------------------------------------------------------|----------------------|
| | Movable Tangible Capital Assets under investigation | | | | | |
| | | | | | Number | Value R'000 |
| | Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation: | | | | | |
| | Heritage assets | | | | - | - |
| | Machinery and equipment | | | | - | - |
| | Specialised military assets | | | | - | - |
| | Biological assets | | | | - | - |
| | There were no assets under investigation during the fiscal period under review. | | | | | |
| | | | | | | |
| 32.1 | Additions | | | | | |
| | | | | | | |
| ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | | |
| | | | | | | |
| | | Cash* | Non-cash** | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | MACHINERY AND EQUIPMENT | 53 471 | - | (15 906) | 69 | 37 634 |
| | Transport assets | 11 447 | - | (9 246) | - | 2 201 |
| | Computer equipment | 21 963 | - | - | 116 | 22 079 |
| | Furniture and office equipment | 11 698 | - | (6 577) | (41) | 5 080 |
| | Other machinery and equipment | 8 363 | - | (83) | (6) | 8 274 |
| | | | | | | |
| | TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS | 53 471 | - | (15 906) | 69 | 37 634 |
| | | | | | | |
| 32.2 | Disposals | | | | | |
| | | | | | | |
| DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | | |
| | | | | | | |
| | | | Sold for cash | Transfer out or destroyed or scrapped | Total disposals | Cash Received Actual |
| | | | R'000 | R'000 | R'000 | R'000 |
| | | | | | | |
| | MACHINERY AND EQUIPMENT | | 3 | 1 614 | 1 617 | 3 |
| | Transport assets | | - | 688 | 688 | - |
| | Computer equipment | | - | 167 | 167 | - |
| | Furniture and office equipment | | - | 635 | 635 | - |
| | Other machinery and equipment | | 3 | 124 | 127 | 3 |
| | | | | | | |
| | TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS | | 3 | 1 614 | 1 617 | 3 |
| | | | | | | |

| | | | | | | | |
|---------------|----------------------------------------------------------------------------------------------------|------------------------------------|---------------------------|------------------------|--------------------------------|--------------------------|----------------|
| 32.3 | Movement for 2013/14 | | | | | | |
| | | | | | | | |
| | MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014 | | | | | | |
| | | Opening balance | Prior period error | Additions | Disposals | Closing Balance | |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | |
| | MACHINERY AND EQUIPMENT | 258 000 | (7 151) | 31 942 | 121 | 282 670 | |
| | Transport assets | 11 232 | (418) | 1 457 | - | 12 271 | |
| | Computer equipment | 66 991 | (4 627) | 12 567 | 121 | 74 810 | |
| | Furniture and office equipment | 39 059 | (1 353) | 5 231 | - | 42 937 | |
| | Other machinery and equipment | 140 718 | (753) | 12 687 | - | 152 652 | |
| | | | | | | | |
| | TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 258 000 | (7 151) | 31 942 | 121 | 282 670 | |
| | | | | | | | |
| 32.3.1 | Prior period error | | | | Note 41.3 | 2014/15 R'000 | |
| | | | | | | | |
| | Nature of prior period error | | | | | | |
| | Relating to 2013/14 | | | | | | - |
| | Assets on the floor not on the Assets Register, in WTE Account, Losses Reported Duplicated Assets. | | | | | | (4 753) |
| | | | | | | | - |
| | Total | | | | | | (4 753) |
| | | | | | | | |
| 32.4 | Minor assets | | | | | | |
| | | | | | | | |
| | MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015 | | | | | | |
| | | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Opening balance | - | 97 | - | 43 105 | - | 43 202 |
| | Additions | - | 5 | - | 5 870 | - | 5 875 |
| | Disposals | - | - | - | 327 | - | 327 |
| | TOTAL MINOR ASSETS | - | 102 | - | 48 648 | - | 48 750 |
| | | | | | | | |

| | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------|------------------------------|----------------------------|----------------------------------------|------------------------------|
| Minor Capital Assets under investigation | | | | | | |
| | | | | | Number | Value R'000 |
| Included in the above total of the minor capital assets per the asset register are assets that are under investigation: | | | | | | |
| | | | | | - | - |
| | Specialised military assets | | | | - | - |
| | Intangible assets | | | | - | - |
| | Heritage assets | | | | - | - |
| | Machinery and equipment | | | | - | - |
| | Biological assets | | | | - | - |
| MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014 | | | | | | |
| | | | | | | |
| | | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Opening balance | - | 114 | - | 39 090 | - |
| | Prior period error | - | (19) | - | (638) | - |
| | Additions | - | 2 | - | 4 653 | - |
| | Disposals | - | - | - | - | - |
| | TOTAL MINOR ASSETS | - | 97 | - | 43 105 | - |
| | | | | | | |
| 32.4.1 | Prior period error | | | | | |
| | | | | | Note | 2014/15 |
| | | | | | 41.3 | R'000 |
| | Nature of prior period error | | | | | |
| | Relating to 2013/14 | | | | | |
| | Assets on the floor not on the Register, Assets in WTE Account, Losses Reported, Duplicated Assets. | | | | | |
| | | | | | | (159) |
| | | | | | | - |
| | | | | | | |
| 33 | Intangible Capital Assets | | | | | |
| | | | | | | |
| | MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | |
| | | Opening balance | | Additions | Disposals | Closing Balance |
| | | R'000 | | R'000 | R'000 | R'000 |
| | SOFTWARE | 51 365 | | 10 283 | - | 61 648 |
| | PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | 5 468 | | - | - | 5 468 |
| | TOTAL INTANGIBLE CAPITAL ASSETS | 56 833 | | 10 283 | - | 67 116 |
| | | | | | | |

| | | | | | | |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------|
| Intangible Capital Assets under investigation | | | | | | |
| | | | | | Number | Value R'000 |
| | | | | | | |
| | Included in the above total of the intangible capital assets per the asset register are assets that are under investigation: | | | | - | - |
| | Software | | | | - | - |
| | Mastheads and publishing titles | | | | - | - |
| | Patents, licences, copyright, brand names, trademarks | | | | - | - |
| | Recipes, formulae, prototypes, designs, models | | | | - | - |
| | Services and operating rights | | | | - | - |
| | | | | | | |
| 33.1 | Additions | | | | | |
| | | | | | | |
| | ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | |
| | | Cash | Non-Cash | (Development work in progress – current costs) | Received current year, not paid (Paid current year, received prior year) | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | | | | | | |
| | SOFTWARE | 10 283 | - | - | - | 10 283 |
| | | | | | | |
| | TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS | 10 283 | - | - | - | 10 283 |
| | | | | | | |
| 33.2 | Movement for 2013/14 | | | | | |
| | | | | | | |
| | MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014 | | | | | |
| | | | | | | |
| | | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | | | | | | |
| | SOFTWARE | 50 696 | (120) | 789 | - | 51 365 |
| | PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | - | - | 5 468 | - | 5 468 |
| | TOTAL INTANGIBLE CAPITAL ASSETS | 50 696 | (120) | 6 257 | - | 56 833 |
| | | | | | | |

| | | | | | | |
|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|--|-----------|-----------|-----------------|
| 33.2.1 | Prior period error | | | | | |
| | | | | | Note | 2014/15 |
| | | | | | 41.3 | R'000 |
| | Nature of prior period error | | | | | |
| | Relating to 2012/13 | | | | | - |
| | | | | | | - |
| | | | | | | - |
| | Relating to 2013/14 | | | | | |
| | | | | | | - |
| | Total | | | | | - |
| | | | | | | |
| 34 | Immovable Tangible Capital Assets | | | | | |
| | | | | | | |
| MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | | |
| | | | | | | |
| | | Opening balance | | Additions | Disposals | Closing Balance |
| | | R'000 | | R'000 | R'000 | R'000 |
| | BUILDINGS AND OTHER FIXED STRUCTURES | 1 607 461 | | 628 192 | - | 2 235 653 |
| | Dwellings | 9 270 | | - | - | 9 270 |
| | Non-residential buildings | 6 923 | | - | - | 6 923 |
| | Other fixed structures | 1 591 268 | | 628 192 | - | 2 219 460 |
| | | | | | | |
| | HERITAGE ASSETS | | | | | |
| | Heritage assets | - | | - | - | - |
| | | | | | | |
| | LAND AND SUBSOIL ASSETS | 11 503 | | - | - | 11 503 |
| | Land | 11 503 | | - | - | 11 503 |
| | Mineral and similar non-regenerative resources | - | | - | - | - |
| | | | | | | |
| | Capital Work-in-progress (Effective 1 April 2016) | - | | - | - | - |
| | | | | | | |
| | TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 1 618 964 | | 628 192 | - | 2 247 156 |
| | | | | | | |
| Immovable Tangible Capital Assets under investigation | | | | | | |
| | | | | | Number | Value |
| | | | | | | R'000 |
| | Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation: | | | | | |
| | Buildings and other fixed structures | | | | | - |
| | Heritage assets | | | | | - |
| | Land and subsoil assets | | | | | - |
| | | | | | | |

| | | | | | | |
|-------------|-----------------------------------------------------------------------------------------------------------|------------------|-----------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------|
| 34.1 | Additions | | | | | |
| | ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | |
| | | Cash | Non-cash | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | BUILDING AND OTHER FIXED STRUCTURES | 4 368 386 | 628 192 | (4 368 386) | - | 628 192 |
| | Dwellings | - | - | - | - | - |
| | Non-residential buildings | - | - | - | - | - |
| | Other fixed structures | 4 368 386 | 628 192 | (4 368 386) | - | 628 192 |
| | HERITAGE ASSETS | - | - | - | - | - |
| | Heritage assets | - | - | - | - | - |
| | LAND AND SUBSOIL ASSETS | - | - | - | - | - |
| | Land | - | - | - | - | - |
| | Mineral and similar non-regenerative resources | - | - | - | - | - |
| | TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS | 4 368 386 | 628 192 | (4 368 386) | - | 628 192 |
| | | | | | | |

| | | | | | | |
|-------------|-----------------------------------------------------------------------------------------------------------|------------------------|----------------------------------------------|------------------------|-----------------------------|------------------------|
| 34.2 | Disposals | | | | | |
| | DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015 | | | | | |
| | | Sold for cash | Transfer out or destroyed or scrapped | Total disposals | Cash Received Actual | |
| | | R'000 | R'000 | R'000 | R'000 | |
| | BUILDINGS AND OTHER FIXED STRUCTURES | - | - | - | - | |
| | Dwellings | - | - | - | - | |
| | Non-residential buildings | - | - | - | - | |
| | Other fixed structures | - | - | - | - | |
| | HERITAGE ASSETS | - | - | - | - | |
| | Heritage assets | - | - | - | - | |
| | LAND AND SUBSOIL ASSETS | - | - | - | - | |
| | Land | - | - | - | - | |
| | Mineral and similar non-regenerative resources | - | - | - | - | |
| | TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS | - | - | - | - | |
| 34.3 | Movement for 2013/14 | | | | | |
| | MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014 | | | | | |
| | | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
| | | R'000 | R'000 | R'000 | R'000 | R'000 |
| | BUILDINGS AND OTHER FIXED STRUCTURES | 889 178 | (855 443) | 1 573 726 | - | 1 607 461 |
| | Dwellings | 9 270 | - | - | - | 9 270 |
| | Non-residential buildings | 6 923 | - | - | - | 6 923 |
| | Other fixed structures | 872 985 | (855 443) | 1 573 726 | - | 1 591 268 |
| | HERITAGE ASSETS | - | - | - | - | - |
| | Heritage assets | - | - | - | - | - |
| | LAND AND SUBSOIL ASSETS | 11 503 | - | - | - | 11 503 |
| | Land | 11 503 | - | - | - | 11 503 |
| | Mineral and similar non-regenerative resources | - | - | - | - | - |
| | TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS | 900 681 | (855 443) | 1 573 726 | - | 1 618 964 |

| | | | |
|---------------|---------------------------------------------------------------------------|------------------|-----------------|
| 34.3.1 | Prior period error | | |
| | | Note | 2014/15 |
| | | 41.3 | R'000 |
| | | | |
| | Nature of prior period error | | - |
| | Relating to 2012/13 | | - |
| | | | - |
| | | | 42 |
| | Relating to 2013/14 | | 42 |
| | Completed assets | | - |
| | | | 42 |
| | Total | | |
| | | | |
| 34.4 | S42 Immovable assets | | |
| | | | |
| | Assets subjected to transfer in terms of S42 of the PFMA – 2014/15 | | |
| | | Number of | Value of |
| | | assets | assets |
| | | | R'000 |
| | BUILDINGS AND OTHER FIXED STRUCTURES | - | - |
| | Dwellings | - | - |
| | Non-residential buildings | - | - |
| | Other fixed structures | - | - |
| | | | |
| | HERITAGE ASSETS | - | - |
| | Heritage assets | - | - |
| | | | |
| | LAND AND SUBSOIL ASSETS | - | - |
| | Land | - | - |
| | Mineral and similar non-regenerative resources | - | - |
| | | | |
| | TOTAL | - | - |
| | | | |
| | Assets subjected to transfer in terms of S42 of the PFMA – 2013/14 | | |
| | | | |

| | | Number of assets | Value of assets R'000 |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|
| | BUILDINGS AND OTHER FIXED STRUCTURES | - | - |
| | Dwellings | - | - |
| | Non-residential buildings | - | - |
| | Other fixed structures | - | - |
| | HERITAGE ASSETS | - | - |
| | Heritage assets | - | - |
| | LAND AND SUBSOIL ASSETS | - | - |
| | Land | - | - |
| | Mineral and similar non-regenerative resources | - | - |
| | TOTAL | - | - |
| 35 | Agent-principal arrangements | | |
| 35.1 | Department acting as the principal | | |
| | | | 2014/15 R'000 |
| | Regional Bulk Infrastructure Grant (RBIG) | | 3 941 238 |
| | Accelerated Community Infrastructure Programme (ACIP) | | 244 822 |
| | Municipal Water Infrastructure Grant (MWIG) | | 405 294 |
| | Bucket Eradication Programme (BEP) | | 281 779 |
| | National Water Week | | 12 000 |
| | Women in Water Awards | | 1 667 |
| | Total | | 4 886 800 |
| | The Department of Water and Sanitation appointed various municipalities, water boards and other government entities as implementing agents for water and sanitation infrastructure related projects across the country. During 2014/15 financial year, the Department made total payments of R4 886 800 to various implementing agents under Regional Bulk Infrastructure Grant (RBIG), Accelerated Community Infrastructure Programme (ACIP), Municipal Water Infrastructure Grant (MWIG) and Bucket Eradication Programme (BEP) projects. The nature, circumstances and terms relating to the arrangements differ from one implementing agents to another. | | |
| 36 | Prior period errors | | |
| 36.1 | Correction of prior period errors | | |
| | | Note | 2014/15 R'000 |
| | Contingent Liabilities | | |
| | Reported in 2013/14 Annual Financial Statements | | 36 669 |
| | Re-statement of 2013/14 Annual Financial Statements | | 58 958 |
| | Net effect | | 22 289 |
| | Prior year balance for claims against the department was adjusted from R36 669 reported in 2013/14 to R58 958 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R22 289. | | |

| | Note | 2014/15 R'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|
| Contingent Assets | | |
| Reported in 2013/14 Annual Financial Statements | | 80 |
| Re-statement of 2013/14 Annual Financial Statements | | 3 137 |
| Net effect | | 3 057 |
| Prior year balance for claims by the department was adjusted from R80 reported in 2013/14 to R3 137 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R3 057. | | |
| | | |
| | Note | 2014/15 R'000 |
| Commitments | | |
| Reported in 2013/14 Annual Financial Statements | | 5 382 616 |
| Re-statement of 2013/14 Annual Financial Statements | | 36 526 428 |
| Net effect | | 31 143 812 |
| Prior year balance for Commitment was adjusted from R5 382 616 reported in 2013/14 to R36 526 428 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R31 143 812. | | |
| | | |
| | Note | 2014/15 R'000 |
| Accruals | | |
| Reported in 2013/14 Annual Financial Statements | | 1 071 700 |
| Re-statement of 2013/14 Annual Financial Statements | | 1 145 363 |
| Net effect | | 73 663 |
| Prior year balance Accruals was adjusted from R1 071 700 reported in 2013/14 to R1 145 363 restated amount, to reflect the accurate balance that has been tested for existence and reliable estimates. The net-effect of prior year error is, that the opening balance has increased by R73 663. | | |
| | | |

37 Transfer of functions

Provide a date of transfer and description of the changes as a result of the transfer/receipt of functions

The 2014 National Macro Organisation of the State led to a creation of a new Department of Water and Sanitation, with a concomitant of shifting a sanitation function from the Department of Human Settlements to the newly formed Department of Water and Sanitation. In this regard, the principle of resources to follow a function was applied and as such a budget of R1.104 billion was shifted to the Department of Water and Sanitation during the Budget Process: Adjusted Estimates of National Expenditure. In accordance with the reorganisation of some national departments announced by the President in May 2014, the new Department of Water and Sanitation undertakes all the water functions from the previous Department of Water Affairs, and the sanitation function from the Department of Human Settlements.

Transfer of function from National Department of Human Settlement to National Department of Water & Sanitation took place during the accounting period under review and no assets or liabilities were transferred and as a result opening balances of National Department of Water & Sanitation were not affected by the transfer.

Details of assets and liabilities given up or assumed, as a result of the transfer or receipt of functions

In terms of the preparation guide "Transfer of Functions" the recipient will show Rnil in the column. As a result of transfer of function that took place during the accounting period under review, Department of Water and Sanitation assumed the following committed liabilities and assets from Department of Human Settlement:-

Assets

- Furniture and fitting

Liabilities

- Photocopier leases
- Cellphones contracts

37.1 Statement of Financial Position

| | Note | Bal per dept 2013/14 AFS before transfer | Functions per dept (transferred) / received | Functions per dept (transferred) / received | Functions per dept (transferred) / received | 2013/14 Bal after transfer |
|------------------------------------|------|---------------------------------------------|---------------------------------------------------|------------------------------------------------|------------------------------------------------|-------------------------------|
| | | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 |
| ASSETS | | | | | | R'000 |
| Current Assets | | | | | | |
| Unauthorised expenditure | | 3 782 | - | - | - | 3 782 |
| Fruitless and wasteful expenditure | | - | - | - | - | - |
| Cash and cash equivalents | | 56 004 | - | - | - | 56 004 |
| Other financial assets | | - | - | - | - | - |
| Prepayments and advances | | 48 918 | - | - | - | 48 918 |
| Receivables | | 23 523 | - | - | - | 23 523 |
| Loans | | 3 113 | - | - | - | 3 113 |
| Aid assistance receivable | | - | - | - | - | - |
| Non-Current Assets | | | | | | |
| Investments | | - | - | - | - | - |
| Loans | | 10 233 | - | - | - | 10 233 |
| Other financial assets | | - | - | - | - | - |
| TOTAL ASSETS | | 145 573 | - | - | - | 145 573 |

| | Note | Bal per dept 2013/14 AFS before transfer | | Functions per dept (transferred) / received | | Functions per dept (transferred) / received | | 2013/14 Bal after transfer | |
|-----------------------------------------------------------------------------|------|---------------------------------------------|------------------|------------------------------------------------|------------------|------------------------------------------------|------------------|-------------------------------|------------------|
| | | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 | 2013/14 R'000 |
| LIABILITIES | | | | | | | | | |
| Current Liabilities | | | | | | | | | |
| Voted funds to be surrendered to the Revenue Fund | | 96 824 | - | - | - | - | - | 96 824 | |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | | 29 343 | - | - | - | - | - | 29 343 | |
| Direct Exchequer receipts to be surrendered to the Revenue Fund | | - | - | - | - | - | - | - | |
| Bank Overdraft | | 2 | - | - | - | - | - | 2 | |
| Payables | | 429 | - | - | - | - | - | 429 | |
| Aid assistance repayable | | - | - | - | - | - | - | - | |
| Aid assistance unutilised | | - | - | - | - | - | - | - | |
| Non-Current Liabilities | | | | | | | | | |
| Payables | | - | - | - | - | - | - | - | |
| TOTAL LIABILITIES | | 126 598 | - | - | - | - | - | 126 598 | |
| NET ASSETS | | 18 975 | - | - | - | - | - | 18 975 | |

37.2 Notes

[illegible]

38 STATEMENT OF CONDITIONAL GRANTS RECEIVED

| NAME OF DEPARTMENT | GRANT ALLOCATION | | | | | SPENT | | | 2013/14 | | |
|-----------------------------------------------|--------------------------------------------|------------|------------------|-------------------|-----------------|-------------------------------|----------------------------|------------------------|------------------------------------------|-------------------------|----------------------------|
| | Division of Revenue Act/ Provincial Grants | Roll Overs | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under / (Overspending) | % of available funds spent by department | Division of Revenue Act | Amount spent by department |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Department of Water and Sanitation (Vote 42) | | | | | | | | | | | |
| Water Services Operating Subsidy Grant (WSOS) | 449 558 | - | - | - | 449 558 | 449 558 | 449 558 | - | 100% | 420 945 | 420 945 |
| Municipal Water Infrastructure Grant (MWIG) | 534 150 | 1 458 | - | - | 535 608 | 532 608 | 535 608 | - | 100% | 602 965 | 601 507 |
| Rural Households Infrastructure Grant (RHIG) | 47 624 | - | 18 000 | - | 65 624 | 65 624 | 65 624 | - | 100% | 106 721 | 106 721 |
| | 1 031 332 | 1 458 | 18 000 | - | 1 050 790 | 1 050 790 | 1 050 790 | - | | 1 130 631 | 1 129 173 |

39 STATEMENT OF CONDITIONAL/ UNCONDITIONAL GRANTS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | Re-allocations by National Treasury or National Department % |
|------------------------------------------------------|-------------------------|------------|-------------|-----------------|-----------------|--------------------------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld |
| | R'000 | R'000 | R'000 | | R'000 | R'000 |
| Conditional Grants | | | | | | |
| Water Services Operating Subsidy Grant (WSOS) | | | | | | |
| Amathole Municipalities | 10 000 | - | - | 10 000 | 10 000 | - |
| Chris Hani Municipalities | 12 000 | - | - | 12 000 | 12 000 | - |
| Joe Gqabi Municipalities | 10 000 | - | - | 10 000 | 10 000 | - |
| O.R Tambo Municipalities | 10 000 | - | - | 10 000 | 10 000 | - |
| Alfred Nzo Municipalities | 5 000 | - | - | 5 000 | 5 000 | - |
| Thabo Mofutsanyana Municipalities | 14 000 | - | - | 14 000 | 14 000 | - |
| Fezile Dabi Municipalities | 6 000 | - | - | 6 000 | 6 000 | - |
| Uthukela Municipalities | 9 000 | - | - | 9 000 | 9 000 | - |
| Umkhanyakazi Municipalities | 4 000 | - | - | 4 000 | 4 000 | - |
| Zululand Municipalities | 3 500 | - | - | 3 500 | 3 500 | - |
| Uthungulu Municipalities | 14 000 | - | - | 14 000 | 14 000 | - |
| iLembe Municipalities | 4 500 | - | - | 4 500 | 4 500 | - |
| Mopani Municipalities | 25 000 | - | - | 25 000 | 25 000 | - |
| Vhembe Municipalities | 35 000 | - | - | 35 000 | 35 000 | - |
| Capricorn Municipalities | 45 000 | - | - | 45 000 | 45 000 | - |
| Waterberg Municipalities | 21 000 | - | - | 21 000 | 21 000 | - |
| Sekhukhune Municipalities | 20 000 | - | - | 20 000 | 20 000 | - |
| Gert Sibande Municipalities | 15 000 | - | - | 15 000 | 15 000 | - |
| Nkangala Municipalities | 25 000 | - | - | 25 000 | 25 000 | - |
| Ehlanzeni Municipalities | 47 000 | - | - | 47 000 | 47 000 | - |
| Frances Baard Municipalities | 20 000 | - | - | 20 000 | 20 000 | - |
| John Taolo Gaetsewe Municipalities | 17 000 | - | - | 17 000 | 17 000 | - |
| Bojanala Platinum Municipalities | 32 500 | - | - | 32 500 | 32 500 | - |
| Ngaka Modiri Molema Municipalities | 30 000 | - | - | 30 000 | 30 000 | - |

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | Re-allocations by National Treasury or National Department % |
|-----------------------------------------------------|-------------------------|------------|-------------|-----------------|-----------------|----------------|--------------------------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | |
| Dr Ruth Segomotsi Mompoti Municipalities | 10 000 | - | - | 10 000 | 10 000 | - | - |
| West Coast Municipalities | 4 058 | - | - | 4 058 | 4 058 | - | - |
| Eden Municipalities | 1 000 | - | - | 1 000 | 1 000 | - | - |
| | | | | | | | |
| Municipal Water Infrastructure Grant (MWIG) | | | | - | | | |
| Chris Hani Municipalities | 48 528 | - | - | 48 528 | 48 528 | - | - |
| Joe Gqabi Municipalities | 20 009 | - | - | 20 009 | 20 009 | - | - |
| O.R Tambo Municipalities | 89 442 | - | - | 89 442 | 89 442 | - | - |
| Ugu Municipalities | 27 500 | - | - | 27 500 | 27 500 | - | - |
| Umgungundlovu Municipalities | 40 000 | - | - | 40 000 | 40 000 | - | - |
| Umkhanyakazi Municipalities | 19 775 | - | - | 19 775 | 19 775 | - | - |
| Amajuba Municipalities | 19 080 | - | - | 19 080 | 19 080 | - | - |
| Zululand Municipalities | 39 205 | - | - | 39 205 | 39 205 | - | - |
| Uthungulu Municipalities | 56 262 | - | - | 56 262 | 56 262 | - | - |
| iLembe Municipalities | 39 000 | - | - | 39 000 | 39 000 | - | - |
| Sisonke Municipalities | 22 800 | - | - | 22 800 | 22 800 | - | - |
| Capricorn Municipalities | 27 379 | - | - | 27 379 | 27 379 | - | - |
| Ehlanzeni Municipalities | 21 000 | - | - | 21 000 | 21 000 | - | - |
| John Taolo Gaetsewe Municipalities | 64 170 | - | - | 64 170 | 64 170 | - | - |
| Ngaka Modiri Molema | | 1 458 | - | 1 458 | 1 458 | - | - |
| | | | | | | | |
| Rural Households Infrastructure Grant (RHIG) | | | | | | | |
| Amathole Municipalities | | - | 9 000 | 9 000 | 9 000 | - | - |
| Chris Hani Municipalities | 4 000 | - | - | 4 000 | 4 000 | - | - |
| O.R Tambo Municipalities | | - | 4 500 | 4 500 | 4 500 | - | - |
| Alfred Nzo Municipalities | | - | 4 500 | 4 500 | 4 500 | - | - |
| Thabo Mofutsanyana Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | TRANSFER | | Re-allocations by National Treasury or National Department % |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------|---------------|------------------|------------------|----------------|--------------------------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | |
| Uthukela Municipalities | 4 124 | - | - | 4 124 | 4 124 | - | - |
| Umkhanyakude Municipalities | 4 000 | - | - | 4 000 | 4 000 | - | - |
| Uthungulu Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |
| Sisonke Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |
| Capricorn Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |
| Sekhukhune Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |
| Ehlanzeni Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |
| Dr Ruth Segomotsi Mompati Municipalities | 4 500 | - | - | 4 500 | 4 500 | - | - |
| Unconditional Grants | | | | | | | |
| PD: Claims Against State | - | - | 2 | 2 | 2 | - | - |
| PD: Vehicle Licences | - | - | 4 | 4 | 4 | - | - |
| Mun B/Acc: Vehicle Licences Mun | 917 | - | 7 | 924 | 557 | - | - |
| | 1 032 249 | 1 458 | 18 013 | 1 051 720 | 1 051 353 | - | - |
| National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer. | | | | | | | |

3.9 Annexures to the Annual Financial Statements

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

[illegible]

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | | 2013/14 Division of Revenue Act | |
|---------------------------------------|----------------------------|------------|-------------|--------------------|--------------------|-------------------|----------------------------------------------------------------------------|---------------------------------------|------------------------------------|------------------------------------------|--------------------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re- allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | | % of available funds spent by municipality |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| KWAZULU NATAL REGION | 35 000 | - | - | 35 000 | 35 000 | - | - | 35 000 | 25 762 | 74% | 69 563 |
| Ugu District Municipality | - | - | - | - | - | - | - | - | - | - | 5 565 |
| Uthukela District Municipality | 9 000 | - | 9 000 | 9 000 | | | - | 9 000 | 6 983 | 78% | 6 000 |
| Umninyathi District Municipality | 4 000 | - | - | 4 000 | 4 000 | - | - | 4 000 | 2 749 | 69% | 7 500 |
| Amajuba District Municipality | - | - | - | - | - | - | - | - | - | - | 1 500 |
| Newcastle Municipality | | | | | | | | | | | |
| Zululand District Municipality | 3 500 | - | - | 3 500 | 3 500 | - | - | 3 500 | 3 122 | 89% | 15 721 |
| Umkhanyakude District Municipality | - | - | - | - | - | - | - | - | - | - | 9 022 |
| Uthungulu District Municipality | 14 000 | - | - | 14 000 | 14 000 | - | - | 14 000 | 11 640 | 83% | 7 210 |
| Umkhathuze Municipality | - | - | - | - | - | - | - | | | - | 3 124 |
| Ilembe District Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | 1 268 | 28% | 11 139 |
| | | | | | | | | | | | |
| LIMPOPO REGION | 146 000 | - | - | 146 000 | 146 000 | - | - | 146 000 | 20 852 | 14% | 132 888 |
| Mopani District Municipality | 25 000 | - | - | 25 000 | 25 000 | - | - | 25 000 | - | 0% | 18 000 |
| Vhembe District Municipality | 35 000 | - | - | 35 000 | 35 000 | - | - | 35 000 | 3 921 | 11% | 55 219 |
| Capricorn District Municipality | 25 000 | - | - | 25 000 | 25 000 | - | - | 25 000 | 16 931 | 68% | 20 109 |
| Polokwane Municipality | 20 000 | - | - | 20 000 | 20 000 | - | - | 20 000 | - | 0% | 10 000 |
| Lephalale Municipality | - | - | - | - | - | - | - | - | - | - | 5 000 |
| Mogalakwena Municipality | - | - | - | - | - | - | - | - | - | - | 5 000 |
| Sekhukhune District Municipality | 20 000 | - | - | 20 000 | 20 000 | - | - | 20 000 | - | 0% | 13 000 |
| Bela-Bela Municipality | 1 000 | - | - | 1 000 | 1 000 | - | - | 1 000 | - | 0% | 1 000 |
| Waterberg District Municipality | 20 000 | - | - | 20 000 | 20 000 | - | - | 20 000 | - | 0% | - |
| | | | | | | | | | | | |
| MPUMALANGA REGION | 87 000 | - | - | 87 000 | 87 000 | - | - | 87 000 | 11 600 | 13% | 59 380 |

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | 2013/14 Division of Revenue Act | | |
|----------------------------------------|----------------------------|------------|-------------|--------------------|--------------------|-------------------|----------------------------------------------------------------------------|---------------------------------------|------------------------------------------|------------------------------------|--------------------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re- allocations by National Treasury or National Department | Amount received by municipality | | Amount spent by municipality | % of available funds spent by municipality |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| Albert Luthuli Municipality | 15 000 | - | - | 15 000 | 15 000 | - | - | 15 000 | 8 932 | 60% | 12 260 |
| Thembisile Municipality | 10 000 | - | - | 10 000 | 10 000 | - | - | 10 000 | 2 668 | 27% | 5 000 |
| Dr JS Moroka Municipality | 15 000 | - | - | 15 000 | 15 000 | - | - | 15 000 | - | 0% | 10 925 |
| Mbombela Municipality | 15 000 | - | - | 15 000 | 15 000 | - | - | 15 000 | - | 0% | 9 180 |
| Nkomazi Municipality | 12 000 | - | - | 12 000 | 12 000 | - | - | 12 000 | - | 0% | 8 493 |
| Thaba Chweu Municipality | - | - | - | - | - | - | - | - | - | - | 3 000 |
| Bushbuckridge Municipality | 20 000 | - | - | 20 000 | 20 000 | - | - | 20 000 | - | 0% | 10 522 |
| NORTHERN CAPE REGION | | | | | | | | | | | |
| | 37 000 | - | - | 37 000 | 37 000 | - | - | 37 000 | 28 094 | 76% | 24 500 |
| Moshaweng Municipality | - | - | - | - | - | - | - | - | 10 000 | - | 8 000 |
| Ga-Segonyane Municipality | - | - | - | - | - | - | - | - | 443 | - | 6 500 |
| Pokwane Municipality | - | - | - | - | - | - | - | - | 17 651 | - | 12 000 |
| John Taolo Gaetse Municipality | 17 000 | - | - | 17 000 | 17 000 | - | - | 17 000 | - | 0% | - |
| Frances Baard Municipality | 20 000 | - | - | 20 000 | 20 000 | - | - | 20 000 | - | 0% | - |
| NORTH WEST REGION | | | | | | | | | | | |
| | 72 500 | - | - | 72 500 | 72 500 | - | - | 72 500 | 24 144 | 33% | 39 950 |
| Moretele Municipality | - | - | - | - | - | - | - | - | 7 411 | - | 3 000 |
| Madibeng Municipality | - | - | - | - | - | - | - | - | 6 578 | - | 8 650 |
| Rustenburg Municipality | - | - | - | - | - | - | - | - | 1 351 | - | - |
| Moses Kotane Municipality | - | - | - | - | - | - | - | - | 4 104 | - | 5 300 |
| Dr Ruth Segomotsi Mompoti Municipality | 10 000 | - | - | 10 000 | 10 000 | - | - | 10 000 | 4 700 | 47% | 9 000 |
| Bonajala Platinum Municipality | 32 500 | - | - | 32 500 | 32 500 | - | - | 32 500 | - | 0% | - |

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| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | | 2013/14 Division of Revenue Act | |
|---------------------------------------|----------------------------|------------|-------------|--------------------|--------------------|-------------------|----------------------------------------------------------------------------|---------------------------------------|------------------------------------|------------------------------------------|--------------------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re- allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | | % of available funds spent by municipality |
| | | | | | | | | | | | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | % | R'000 |
| O.R. Tambo District Municipality | - | - | 4 500 | 4 500 | 4 500 | - | - | 4 500 | - | 0% | 4 000 |
| Alfred Nzo District Municipality | - | - | 4 500 | 4 500 | 4 500 | - | - | 4 500 | - | 0% | 4 000 |
| Joe Gqabi District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |
| | | | | | | | | | | | |
| FREE STATE REGION | | | | | | | | | | | |
| Maluti-a-Phofung Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% | 4 000 |
| | | | | | | | | | | | |
| KWAZULU NATAL REGION | | | | | | | | | | | |
| Ugu District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |
| Uthukela District Municipality | 4 124 | - | - | 4 124 | 4 124 | - | - | 4 124 | - | 0% | 4 000 |
| Umginyathi District Municipality | 4 000 | - | - | 4 000 | 4 000 | - | - | 4 000 | - | 0% | 4 000 |
| Amajuba District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |
| Zululand District Municipality | - | - | - | - | - | - | - | - | - | - | 4 500 |
| Umkhanyakude District Municipality | 4 000 | | | 4 000 | 4 000 | - | - | 4 000 | - | 0% | 4 000 |
| Uthungulu District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |
| Ilembe District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |
| Sisonke District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |
| Umhlathuze Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% | 4 000 |
| Harry Gwala District Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% | - |
| | | | | | | | | | | | |
| LIMPOPO REGION | | | | | | | | | | | |
| Mopani District Municipality | - | - | - | - | - | - | - | - | - | - | 8 500 |
| Vhembe District Municipality | - | - | - | - | - | - | - | - | - | - | 4 000 |

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | | 2013/14 Division of Revenue Act |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|---------------|--------------------|--------------------|-------------------|----------------------------------------------------------------------------|---------------------------------------|------------------------------------|------------------------------------------|
| | Division of Revenue Act | Roll Overs | Adjustments | Total Available | Actual Transfer | Funds Withheld | Re- allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | |
| | R'000 | R'000 | R'000 | | R'000 | R'000 | % | R'000 | R'000 | % |
| Capricorn District Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% |
| Sekhukhune District Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% |
| | | | | | | | | | | |
| MPUMALANGA REGION | | | | | | | | | | |
| Nkomazi Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% |
| | | | | | | | | | | |
| NORTHERN CAPE REGION | | | | | | | | | | |
| Ga-Segonyane Municipality | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| NORTH WEST REGION | | | | | | | | | | |
| Dr Ruth Segomotsi Mompoti District Municipality | 4 500 | - | - | 4 500 | 4 500 | - | - | 4 500 | - | 0% |
| Ngaka Modiri Malema District Municipality | - | - | - | - | - | - | - | - | - | - |
| Grand Total | 1 031 332 | 1 458 | 18 000 | 1 050 790 | 1 050 790 | - | - | 1 050 790 | 257 545 | 25% |
| | | | | | | | | | | |
| National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer. | | | | | | | | | | |

ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | | 2013/14 |
|---------------------------------------------------------------------|------------------------|--------------|-----------------|-----------------|---------------------------|----------------------------------------|----------------------|-----------|
| | Adjusted Roll Overs | Adjust-ments | Total Available | Actual Transfer | Amount not transferred | % of Available funds Transferred | Appropriation Act | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Energy Water Sector Education and Training Authority (EWSETA) | 2 204 | - | 421 | 2 625 | 2 204 | - | 84% | - |
| Public Sector Education and Training Authority (PSETA) | 421 | - | - | 421 | - | - | 0% | - |
| Water Trading Account: Augmentation (Capital) | 2 735 154 | - | - | - | - | - | - | - |
| | - | - | 2 735 154 | 2 735 154 | - | 100% | 2 377 202 | - |
| Inkomati Catchment Management Agency (ICMA) | - | - | - | - | - | - | - | 28 214 |
| Breede-Overberg Catchment Management Agency | - | - | - | - | - | - | - | 23 625 |
| Water Research Commission (WRC) | - | - | 2 669 | 2 669 | 2 167 | - | 81% | - |
| Com: Licences (Radio and TV) | 44 | - | - | 44 | 11 | - | 25% | 2 |
| Skills Development Levy | - | - | - | - | - | - | - | 2 500 |
| | 2 737 823 | - | 3 090 | 2 740 913 | 2 739 536 | - | - | 2 431 543 |

ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE | TRANSFER ALLOCATION | | | | | EXPENDITURE | | | 2013/14 Appropriation Act |
|---------------------------------------------------|-------------------------------------------|---------------------|----------------------|--------------------------|-----------------------------|---------------------------------------------|------------------|------------------|---------------------------------|
| | Adjusted Appropriation Act R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | % of Available funds Transferred % | Capital R'000 | Current R'000 | |
| Public Corporations | | | | | | | | | |
| Transfers | | | | | | | | | |
| Amatola Water Board | 150 000 | - | - | 150 000 | 150 000 | 100% | - | - | - |
| Magalies Water | 70 000 | - | - | 70 000 | 69 665 | 100% | - | 69 665 | 200 000 |
| Sedibeng Water | 143 200 | - | - | 143 200 | 143 453 | 100% | - | - | - |
| Umgeni Water | 216 800 | - | - | 216 800 | 216 801 | 100% | - | 216 801 | 50 000 |
| TOTAL | 580 000 | - | - | 580 000 | 579 919 | 100% | - | 286 466 | 250 000 |

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

| FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION | TRANSFER ALLOCATION | | | EXPENDITURE | | 2013/14 |
|-----------------------------------------------------------|----------------------------------|------------|-------------|-----------------|-----------------|-------------------------------|
| | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | |
| Transfers | R'000 | R'000 | R'000 | R'000 | R'000 | Appropriation Act R'000 |
| African Ministers' Council on Water (AMCOW) | 98 | - | - | 98 | | 99 |
| Komati River Basin Water Authority (KOBWA) | 184 268 | - | - | 184 268 | 184 268 | 188 001 |
| Limpopo Watercourse Commission (LIMCOM) | 264 | - | - | 264 | 290 | - |
| Orange-Sengu River Basin Commission (ORASECOM) | 556 | - | - | 556 | 500 | 524 |
| African Ministers' Council on Water (AMCOW) Trust Fund | - | - | - | - | 118 | - |
| Total | 185 186 | - | - | 185 186 | 185 176 | 188 624 |

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| NON-PROFIT INSTITUTIONS | TRANSFER ALLOCATION | | | EXPENDITURE | | | 2013/14 Appropriation Act |
|-------------------------------|----------------------------|------------|--------------|-----------------|-----------------|----------------------------------|---------------------------------|
| | Adjusted Appropriation Act | Roll overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| NPI: Donations & Gifts NPI | 1 488 | - | 648 | 2 136 | 1 803 | 84% | 1 181 |
| NPI: Claims Against State NPI | 23 | - | - | 23 | - | - | - |
| Total | 1 511 | - | 648 | 2 159 | 1 803 | | 1 181 |

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

| HOUSEHOLDS | TRANSFER ALLOCATION | | | EXPENDITURE | | | 2013/14 Appropriation Act |
|-------------------------------------|----------------------------|------------|--------------|-----------------|-----------------|----------------------------------|---------------------------------|
| | Adjusted Appropriation Act | Roll overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 |
| Transfers | | | | | | | |
| H/H: Bursaries (Non-Employees) | 13 293 | - | 435 | 13 728 | 13 728 | 100% | 12 660 |
| H/H: Claim Against the State (Cash) | - | - | 7 | 7 | 6 | 86% | - |
| Farmer Support Household (Cash) | 11 017 | - | (1 196) | 9 821 | 9 821 | 100% | 5 510 |
| H/H Empl S/Ben: Leave Gratuity | 1 412 | - | 5 071 | 6 483 | 6 830 | 105% | 3 600 |
| H/H Empl S/Ben: Severance Package | | | 973 | 973 | 627 | 64% | |
| Total | 25 722 | - | 5 290 | 31 012 | 31 012 | | 21 170 |

ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

| NAME OF ORGANISATION | NATURE OF GIFT, DONATION OR SPONSORSHIP | 2014/15 R'000 | 2013/14 R'000 |
|------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Received in cash | | | |
| Sedibeng Water | Sponsorship for Deputy Minister's Stakeholders Session in Stockholm | - | 40 |
| Rand Water | Sponsorship for Minister's Stakeholders Session in Stockholm | 60 | |
| Umgeni Water | Sponsorship for Minister's Stakeholders Session in Stockholm | 3 | - |
| Subtotal | | 63 | 40 |
| Received in kind | | | |
| Profounder Intelligence Management | | | |
| Escon | Samsung Galaxy Tab 2X3 Phone Pad | - | 7 |
| Esch Consulting | Samsung Notebook | - | 2 |
| Esch Consulting | Asus "7" Phone Pad | - | 3 |
| Masana Brainstrom Conferencing | Acer Icon B1 Tablet X3 | - | 2 |
| Nkanyelo Training | Cell Phone Tablet X3 | - | 3 |
| Empowerex Training Solutions | Multipad 7.0 Android Tablet X4 | - | 8 |
| CCM Training | IPad Apple | - | 8 |
| Escon | IPad Mini – A1455 | - | 6 |
| Envision International | Acer Travelmate Laptop | - | 4 |
| Mustek | Memo Pad, Printer MFC-J220 | - | 4 |
| Rennies Travel | Sponsorship for Minister's international Gender, Water and Development conference entertainment - Live Band | 20 | 3 |
| Umgeni Water | Minister's Gala Dinner - Stockholm | 47 | - |
| Pick n' Pay Epikanini - Promotions | Cake, Lunch Boxes | 1 | - |
| Subtotal | | 68 | 50 |
| TOTAL | | 131 | 90 |

ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

| NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation) | | 2014/15 | 2013/14 |
|----------------------------------------------------------------------------------------------------------------------------|--|--------------|--------------|
| | | R'000 | R'000 |
| Paid in cash | | | |
| 20/20 Vision -Schools Competition - KZN | | - | 7 |
| Baswa Le Meetse Competition - EC | | 43 | 53 |
| Baswa Le Meetse Competition - FS | | 45 | 91 |
| Baswa Le Meetse Competition - WC | | 55 | 54 |
| Baswa Le Meetse Competition - NC | | 89 | 51 |
| Baswa Le Meetse Competition - MP | | - | 150 |
| Baswa Le Meetse Competition - KZN | | 14 | - |
| Baswa Le Meetse Competition - GP | | 51 | 95 |
| Baswa Le Meetse Competition - NW | | 62 | - |
| SA Youth Water Prize School Competition - KZN | | 10 | 30 |
| SA Youth Water Prize School Competition - HO | | 24 | 5 |
| SA Youth Water Prize School Competition - NW | | 25 | 87 |
| SA Youth Water Prize School Competition - EC | | - | 8 |
| SA Youth Water Prize School Competition - MP | | - | 24 |
| SA Youth Water Prize School Competition -FS | | 5 | - |
| SA Youth Water Prize School Competition - WC | | 2 | 5 |
| SA Youth Water Prize School Competition - NC | | 1 | - |
| SA Youth Water Prize School Competition - Limpopo | | - | 10 |
| Women in Water Awards | | 700 | 520 |
| Sponsorship – WISA | | 648 | - |
| Subtotal | | 1 774 | 1 190 |

ANNEXURE 1K (Continued)
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

| NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation) | | 2014/15 R'000 | 2013/14 R'000 |
|----------------------------------------------------------------------------------------------------------------------------|--|------------------|------------------|
| Made in kind | | | |
| Wreath, Flowers, Food Basket | | - | 2 |
| Wreath | | - | 1 |
| Ostrich Eggs with African Art | | - | 11 |
| Flask | | - | 6 |
| Latte Mugs | | - | 2 |
| Memory Stick | | - | 5 |
| Paper Bags | | - | 35 |
| Trophy | | 8 | 28 |
| Certificate, Frames and Papers | | 3 | 17 |
| Scientific Calculators | | - | 10 |
| Installing of Granite Plaque - NC | | - | 9 |
| Dala Fabric Paint | | - | 3 |
| Supply, Installation and Printing of Brass Plaque | | - | 2 |
| Desk Clocks with Branding - Best Performer 2013 | | - | 28 |
| Key Holder | | - | 2 |
| Medals | | 1 | |
| Designer Collar Tracksuits - Message SAYWP | | 21 | |
| Coasters and Gifts Bags | | 3 | |
| Marque Tent for 2000 | | 14 | |
| Chairs | | 14 | |
| 7 Piece Spice Rack Set | | 19 | |
| Subtotal | | 83 | 161 |
| TOTAL | | 1 857 | 1 351 |

ANNEXURE 2B
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

| Name of Public Entity | Nature of business | Cost of investment | | Net Asset value of Investment | | Amounts owing to Entities | | Amounts owing by Entities | |
|------------------------------|-----------------------------------|--------------------|------------------|-------------------------------|------------------|---------------------------|---------|---------------------------|---------|
| | | R'000 2014/15 | R'000 2013/14 | R'000 2014/15 | R'000 2013/14 | 2014/15 | 2013/14 | 2014/15 | 2013/14 |
| Controlled entities | | | | | | | | | |
| Water Boards | | | | | | | | | |
| Kalahari West | Construct a stock drinking scheme | - | - | - | - | - | - | 1 742 | 2 626 |
| Irrigation Boards | | | | | | | | | |
| Agterkliphoogte | For irrigation | - | - | - | - | - | - | 24 | 36 |
| Bellair | For irrigation | - | - | - | - | - | - | - | 26 |
| Buffelskloof | For irrigation | - | - | - | - | - | - | 34 | 48 |
| Cogmanskloof | For irrigation | - | - | - | - | - | - | 389 | 545 |
| Gamkarivier | For irrigation | - | - | - | - | - | - | - | 39 |
| Haartem | Dam and pipelines | - | - | - | - | - | - | 4 411 | 5 194 |
| Illovo | For irrigation | - | - | - | - | - | - | 85 | 99 |
| Kanoneiland | For irrigation | - | - | - | - | - | - | 344 | 452 |
| Manchester Noordwyk | For irrigation | - | - | - | - | - | - | 2 165 | 2 435 |
| NoordAgter Paarl | For irrigation | - | - | - | - | - | - | 491 | 543 |
| Perdeberg | For irrigation | - | - | - | - | - | - | 331 | 707 |
| Sondagsrivier (Elandslaagte) | For irrigation | - | - | - | - | - | - | - | 25 |
| SuidAgter Paarl | For irrigation | - | - | - | - | - | - | 164 | 338 |
| Uitheid | For irrigation | - | - | - | - | - | - | 94 | 178 |
| Municipalities | | | | | | | | | |
| Saldanha Bay | Purchase of Stompneus reservoir | - | - | - | - | - | - | 44 | 55 |
| TOTAL | | - | - | - | - | - | - | 10 318 | 13 346 |

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – LOCAL

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2014 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2015 | Guaranteed interest for year ended 31 March 2015 | Realised losses not recoverable i.e. claims paid out |
|-----------------------|-------------------------------|------------------------------------|------------------------------|---------------------------------------|---------------------------------------------------------------------|--------------|-------------------------------|--------------------------------------------------|------------------------------------------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Housing | | | | | | | | |
| ABSA | Housing Loans | 70 | 70 | - | - | - | 70 | - | - |
| NP Dev. Corp | Housing Loans | 310 | 126 | - | - | - | 126 | - | - |
| Standard Bank | Housing Loans | 1 281 | 182 | 21 | 96 | - | 107 | - | - |
| Mpumalanga | Housing Loans | 16 | - | 16 | - | - | 16 | - | - |
| | Subtotal | 1 677 | 378 | 37 | 96 | - | 319 | - | - |
| | Other | | | | | | | | |
| KOBWA (18) | DBSA Driekoppies Dam | 488 401 | 267 378 | - | 30 965 | - | 236 414 | - | - |
| KOBWA (21) | Hambros Maguga Dam | 380 000 | 380 000 | - | - | - | 380 000 | 12 656 | - |
| KOBWA (27) | Gensec Bank Maguga Dam | 165 000 | 68 959 | - | 20 352 | - | 48 607 | 1 497 | - |
| KOBWA | Rand Merchant Bank Maguga Dam | 380 000 | 216 891 | - | 30 361 | - | 186 530 | 3 509 | - |
| KOBWA | Nedcor Bank Maguga Dam | 233 000 | 136 132 | - | 19 147 | - | 116 985 | - | - |
| Land Bank (30) | Water Projects by WUA's | 150 000 | 43 435 | - | 656 | - | 42 779 | 756 | - |
| Land Bank (28) | Kalahari East Water Board | 77 400 | - | - | - | - | - | - | - |
| Land Bank (29) | Unzinkulwana WUA | 500 | 28 | - | 28 | - | - | 1 | - |
| TCTA (13) | Call Bills & Capital Bills. | 4 000 000 | 127 000 | 24 000 | 74 000 | - | 77 000 | 356 | - |
| TCTA (14) | Holders of LHW Projects | 21 000 000 | 19 791 735 | 377 613 | 12 999 | - | 20 156 349 | 499 265 | - |
| LHDA | DBSA – 2868/1 | 2 699 | 519 | - | 250 | - | 269 | - | - |
| | Subtotal | 26 877 000 | 21 032 078 | 401 613 | 188 758 | - | 21 244 933 | 518 040 | - |
| | Total | 26 878 677 | 21 032 456 | 401 650 | 188 854 | - | 21 245 252 | 518 040 | - |

ANNEXURE 3A (Continued)
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2015 – FOREIGN

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2014 | Guarantees draw downs during the year | Guarantees repayments/cancelled/reduced/released during the year | Revaluations | Closing balance 31 March 2015 | Guaranteed interest for year ended 31 March 2015 | Realised losses not recoverable i.e. claims paid out |
|-----------------------------------------------------------|-------------------------|------------------------------------|------------------------------|---------------------------------------|------------------------------------------------------------------|--------------|-------------------------------|--------------------------------------------------|------------------------------------------------------|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | Other | | | | | | | | |
| LHDA (OSL 27) | EIB | 136 262 | 25 253 | - | 5 612 | - | 19 641 | 37 | - |
| LHDA (OSL 26) | EIB | 599 554 | 50 022 | - | 11 247 | (4 536) | 34 239 | 171 | - |
| OSL 26 ZAR | | - | 30 842 | - | 7 711 | - | 23 131 | 44 | - |
| OSL 26 A | | - | 6 134 | - | 1 533 | - | 4 601 | 9 | - |
| TCTA (FXL 08) | EIB | 588 568 | 96 857 | - | 24 214 | - | 72 643 | 1 401 | - |
| | Subtotal | 1 324 374 | 209 108 | - | 49 819 | (4 536) | 154 255 | 1 662 | - |
| | Total | 1 324 374 | 209 108 | - | 49 819 | (4 536) | 154 255 | 1 662 | - |
| Reconciliation to Disclosure Note 21.1 (Other Guarantees) | | | | | | | | | |
| Other - Local | | | | | | | 21 244 933 | 518 040 | 21 762 973 |
| Other - Foreign | | | | | | | 154 255 | 1 662 | 155 917 |
| Total | | | | | | | 21 399 188 | 519 702 | 21 918 890 |

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

| Nature of Liability | Opening Balance 1 April 2014 | Liabilities incurred during the year | Liabilities paid/ cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2015 |
|------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------|------------------------------------------------------------|-----------------------------------------------------------|----------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| Stephan Mogohlwane & Others | 49 | 55 | - | - | 104 |
| Freddy Aphane | 10 | 8 | - | - | 18 |
| Black Child Productions | 10 000 | - | - | - | 10 000 |
| Attachment Corporation/DWA | 10 238 | 8 569 | - | - | 18 807 |
| S Walters "Voelvel" vs. Minister of Public Works and Minister of Water Affairs and Forestry | 5 000 | 10 385 | - | - | 15 385 |
| Shilatana Collins Mkansi vs DWA | 1 767 | 1 534 | - | - | 3 301 |
| Solal Technologies Pty Ltd | 17 | 9 | - | - | 26 |
| Naledi Office Equipment | 117 | 38 | - | - | 155 |
| Standard Bank | 2 813 | 2 930 | - | - | 5 743 |
| Rothchild (Y Gontshi) | 108 | 115 | - | - | 223 |
| Nkondo GM | | 555 | - | - | 555 |
| BM Symthe | 5 665 | - | - | - | 5 665 |
| Imperial Group (Pty) Ltd | 14 | 9 | - | - | 23 |
| Nashua Communications | 222 | - | 222 | - | - |
| Nisumi Communications | - | 475 | - | - | 475 |
| Aqua Amos Chemicals CC | 84 | - | - | - | 84 |
| JJ Jordaan | 15 096 | 780 | - | - | 15 876 |
| Mothibe EK | 66 | - | - | - | 66 |
| Jonathan Pillay | 105 | - | - | - | 105 |
| Nana Chuma | - | 35 | - | - | 35 |
| Diners Club | 1 583 | 491 | - | - | 2 074 |
| Reinhardt Transport | 4 | 1 | - | - | 5 |
| Seani Silas Mbedzi | 6 000 | - | - | - | 6 000 |
| Subtotal | 58 958 | 25 989 | 222 | - | 84 725 |

ANNEXURE 4
CLAIMS RECOVERABLE

| Government Entity | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash in transit at year end 2014/15* | |
|-------------------------------------------------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|--------------------------------------------------------|--------|
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | Receipt date up to six (6) working days after year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| Departments | | | | | | | | |
| National Department of Agriculture (Forestry Expenditure Claim) | - | 19 | - | - | - | 19 | - | - |
| Gauteng: Dept. of Health & Social Development (G9) | - | 17 | - | - | - | 17 | - | - |
| Gauteng: Department of Finance(1) | - | 9 | - | - | - | 9 | - | - |
| Limpopo Province Health (P4) | - | 4 | - | - | - | 4 | - | - |
| Limpopo Social Development (Q7) | - | 1 | - | - | - | 1 | - | - |
| Independent Police Investigative (Q9) | - | 13 | - | - | - | 13 | - | - |
| Free State Dept of Education(V6) | - | 7 | - | - | - | 7 | - | - |
| National Department of Water and Sanitation- Trading Account (W7) | - | 9 029 | 77 | - | 77 | 9 029 | - | - |
| North West Public Works Roads and Transport (1Z) | - | 4 | - | - | - | 4 | - | - |
| KZN Prov Gov Premier (18) | - | 7 | - | - | - | 7 | - | - |
| National Dept of Public Works (19) | - | 7 | - | - | - | 7 | - | - |
| Department of Health(20) | - | 12 | - | - | - | 12 | - | - |
| National Department of Transport (25) | - | 35 | - | - | - | 35 | - | - |
| South African Police Services (90) | - | 47 | - | - | - | 47 | - | - |
| National Dept of Correctional Services (95) | - | 29 | 13 | - | 13 | 29 | - | - |
| National Department of Arts and Culture (E7) | - | - | 97 | - | 97 | - | - | - |
| The Presidency (M4) | - | - | 35 | - | 35 | - | - | - |
| National Department of Environmental Affairs (17) | - | - | 232 | - | 232 | - | - | - |
| | - | 9 240 | 454 | - | 454 | 9 240 | - | - |
| Other Government Entities | | | | | | | | |
| Gauteng Region | - | 2 | - | - | - | 2 | - | - |
| DL Consulting CC | - | - | 4 | - | 4 | - | - | - |
| | - | 2 | - | - | - | 2 | - | - |
| TOTAL | - | 9 242 | 458 | - | 458 | 9 242 | - | - |

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | | Cash in transit at year end 2014/15* | |
|---------------------------------------------------------|-------------------------------|------------|---------------------------------|------------|----------------|------------|---------------------------------------------------------|----------|
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | Payment date up to six (6) working days before year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| DEPARTMENTS | | | | | | | | |
| Current | | | | | | | | |
| Department of Economic Development and Tourism | - | 8 | - | - | - | 8 | - | - |
| Department of Health: Kimberley | - | 11 | - | - | - | 11 | - | - |
| Department of Health North West | - | 9 | - | - | - | 9 | - | - |
| Limpopo: Department of Economic Development and Tourism | - | 12 | - | - | - | 12 | - | - |
| Department of Higher Education & Training | - | 37 | - | - | - | 37 | - | - |
| Free State: Office of the Premier | - | 23 | - | - | - | 23 | - | - |
| Department of Communications | - | 20 | - | - | - | 20 | - | - |
| Department of Arts and Culture | 36 | - | - | - | 36 | - | - | - |
| Gauteng: Office of the Premier | 113 | - | - | - | 113 | - | - | - |
| Department of Justice & Constitutional Development | 435 | - | - | - | 435 | - | - | - |
| South African Police Services | - | - | 32 | - | 32 | - | - | - |
| Water Trading Entity | - | - | 959 137 | - | 959 137 | - | - | - |
| Total | 584 | 120 | 959 169 | - | 959 753 | 120 | - | - |

ANNEXURE 6
INVENTORIES

| Inventory | Note | Quantity | 2014/15 | | 2013/14 | |
|-----------------------------------------------|------|----------------|--------------|----------------|--------------|--|
| | | | R'000 | | R'000 | |
| Opening balance | | 514 448 | 3 756 | 510 654 | 3 583 | |
| Add/(Less): Adjustments to prior year balance | | (1 788) | (23) | - | (173) | |
| Add: Additions/Purchases - Cash | | 161 680 | 12 871 | 170 085 | 15 771 | |
| Add: Additions - Non-cash | | 11 | - | 61 595 | - | |
| (Less): Disposals | | 29 | - | - | - | |
| (Less): Issues | | (138 300) | (12 931) | (227 886) | (15 456) | |
| Add/(Less): Adjustments | | (73 982) | (2 478) | - | 31 | |
| Closing balance | | 462 098 | 1 195 | 514 448 | 3 756 | |

ANNEXURE 7A

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015

| | Opening balance R'000 | Current Year Capital WIP R'000 | Completed Assets R'000 | Closing balance R'000 |
|--------------------------------------------------------------|-----------------------------|--------------------------------------|------------------------------|-----------------------------|
| HERITAGE ASSETS | - | - | - | - |
| Heritage assets | - | - | - | - |
| MACHINERY AND EQUIPMENT | | | | |
| Transport assets | - | - | - | - |
| Computer equipment | - | - | - | - |
| Furniture and office equipment | - | - | - | - |
| Other machinery and equipment | - | - | - | - |
| SPECIALISED MILITARY ASSETS | | | | |
| Specialised military assets | - | - | - | - |
| BIOLOGICAL ASSETS | | | | |
| Biological assets | - | - | - | - |
| BUILDINGS AND OTHER FIXED STRUCTURES | 10 387 883 | 4 368 386 | (628 192) | 14 128 077 |
| Dwellings | - | - | - | - |
| Non-residential buildings | - | - | - | - |
| Other fixed structures | 10 387 883 | 4 368 386 | (628 192) | 14 128 077 |
| LAND AND SUBSOIL ASSETS | | | | |
| Land | - | - | - | - |
| Mineral and similar non-regenerative resources | - | - | - | - |
| SOFTWARE | | | | |
| Software | - | - | - | - |
| MASTHEADS AND PUBLISHING TITLES | | | | |
| Mastheads and publishing titles | - | - | - | - |
| PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | | | | |
| Patents, licences, copyright, brand names and trademarks | - | - | - | - |
| RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS | | | | |
| Recipes, formulae, prototypes, designs, models | - | - | - | - |
| SERVICES AND OPERATING RIGHTS | | | | |
| Services and operating rights | - | - | - | - |
| TOTAL | 10 387 883 | 4 368 386 | (628 192) | 14 128 077 |

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2014

| | Opening balance R'000 | Prior period error R'000 | Current Year Capital WIP R'000 | Completed Assets R'000 | Closing balance R'000 |
|--------------------------------------------------------------|-----------------------------|--------------------------------|--------------------------------------|------------------------------|-----------------------------|
| HERITAGE ASSETS | | | | | |
| Heritage assets | - | - | - | - | - |
| MACHINERY AND EQUIPMENT | | | | | |
| Transport assets | - | - | - | - | - |
| Computer equipment | - | - | - | - | - |
| Furniture and office equipment | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - |
| SPECIALISED MILITARY ASSETS | | | | | |
| Specialised military assets | - | - | - | - | - |
| BIOLOGICAL ASSETS | | | | | |
| Biological assets | - | - | - | - | - |
| BUILDINGS AND OTHER FIXED STRUCTURES | 6 938 631 | (29 687) | 3 750 540 | (1 573 726) | 9 085 758 |
| Dwellings | - | - | - | - | - |
| Non-residential buildings | - | - | - | - | - |
| Other fixed structures | 6 938 631 | (29 687) | 3 750 540 | (1 573 726) | 9 085 758 |
| LAND AND SUBSOIL ASSETS | | | | | |
| Land | - | - | - | - | - |
| Mineral and similar non-regenerative resources | - | - | - | - | - |
| SOFTWARE | | | | | |
| Software | - | - | - | - | - |
| MASTHEADS AND PUBLISHING TITLES | | | | | |
| Mastheads and publishing titles | - | - | - | - | - |
| PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS | | | | | |
| Patents, licences, copyright, brand names and trademarks | - | - | - | - | - |
| RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS | | | | | |
| Recipes, formulae, prototypes, designs, models | - | - | - | - | - |
| SERVICES AND OPERATING RIGHTS | | | | | |
| Services and operating rights | - | - | - | - | - |
| TOTAL | 6 938 631 | (29 687) | 3 750 540 | (1 573 726) | 9 085 758 |

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (Note 14)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|---------------------------------------------|-------------------------------|--------------|---------------------------------|---------------|--------------|---------------|
| | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 | 31/03/2015 | 31/03/2014 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| NATIONAL DEPARTMENTS | | | | | | |
| DIRCO | - | 798 | 2 022 | 4 | 2 022 | 802 |
| GCIS | 225 | 8 787 | | - | 225 | 8 787 |
| Subtotal | 225 | 9 585 | 2 022 | 4 | 2 247 | 9 589 |
| | | | | | | |
| PROVINCIAL DEPARTMENTS | | | | | | |
| Chris Hani District Municipality: Cluster 4 | - | - | 1 333 | 11 097 | 1 333 | 11 097 |
| Subtotal | - | - | 1 333 | 11 097 | 1 333 | 11 097 |
| | | | | | | |
| PUBLIC ENTITIES | | | | | | |
| Chris Hani: RBIG | - | - | - | 17 770 | - | 17 770 |
| Eskom: RBIG | - | - | - | 10 440 | - | 10 440 |
| Subtotal | - | - | - | 28 210 | - | 28 210 |
| | | | | | | |
| Total | 225 | 9 585 | 3 355 | 39 311 | 3 580 | 48 896 |

PART E

WTE FINANCIAL INFORMATION



WATER TRADING ACCOUNT

1 REPORT OF THE AUDIT COMMITTEE ON THE ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

We are pleased to present our report for the financial year ended 31 March 2015.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended by Act No.29 of 1999) and Treasury Regulation 3.1.13. The Audit Committee has adopted appropriate formal terms of reference as its Audit Committee Charter regulated its affairs in compliance with this Charter, and has discharged all its responsibilities as contained therein.

The Audit Committee has considered the results of the annual financial statements audit for the period under review for the Water Trading Entity.

The Effectiveness of Internal Control

The Committee noted significant improvement in the internal control system for Water Trading Entity. Though certain weaknesses have been noted the Committee is satisfied that the management of Water Trading Entity is taking appropriate actions in improving internal control system. Based on interaction with management and auditors the Committee is satisfied with the capacity and capability within Finance Function of the Water Trading Entity.

In-Year Management and Monthly / Quarterly Report

The Committee has considered the quarterly management reports including performance information throughout the year as part of reviewing internal controls. The Department is also required by the PFMA to submit these reports to the National Treasury on regular intervals.

Internal Audit

The Internal Audit Chief Directorate is responsible for independent and objective evaluation of the department's system of internal control at a detailed level and to bring any significant internal control risks and exposure to the attention of management and the committee through the provision of comprehensive internal audit reports.

The Committee noted with concern the prolonged period for filling of Internal Audit vacancies which results non achievement of the Audit Plan as approved by the Audit Committee.

Matters requiring specific mention

The Audit Committee noted the Auditor-General's "Unqualified Audit Opinion" on the financial statements of the Water Trading Entity. It also noted the improved audit opinion from "Qualified Audit Opinion" in 2013/2014 to "Unqualified Audit Opinion" in 2014/2015 financial year.

The Audit Committee commends management for the improvements made in the Water Trading Entity. The Committee has also directed management to maintain and improve the internal control environment to ensure that the achievement and maintenance of "Clean Audit Opinion".

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department for submission to the Auditor General for audit purposes however the audited financial statements were not presented to the Committee for review. The financial statements were subsequently circulated to the Committee members.

Auditor-General's Report

We have reviewed the department's implementation plan for the audit issues raised in the previous year and are satisfied that the matters have been adequately resolved.

The Audit 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.

Acknowledgements

The Committee would like to express its gratitude to the Minister for giving direction to the Department and for ensuring stability at top management level, we also thank management and staff under the leadership of the DG for supporting the Committee in execution of our responsibility. We also want to thank the Auditor General, Internal Audit and Risk Management for constructive inputs in the working of the Committee.



Justice Motha
Chairperson of the Audit Committee
Department of Water and Sanitation

06 August 2015

2 REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE WATER TRADING ENTITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

- 1 I have audited the financial statements of the Water Trading Entity set out on pages 342 to 384, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

- 2 The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

- 3 My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
- 5 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

- 6 In my opinion, the financial statements present fairly, in all material respects, the financial position of the Water Trading Entity as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the PFMA.

Emphasis of matters

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

Significant uncertainties

- 8 With reference to note 26 to the financial statements, the entity is the defendant in a number of lawsuits. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.
- 9 With reference to note 27 to the financial statements, the entity has instituted several lawsuits against some companies. The entity believes the claims are legitimate and that they have a case. The ultimate outcome of the matter cannot presently be determined.

Restatement of corresponding figures

- 10 As disclosed in note 30 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during financial year of 31 March 2015 in the financial statements of the Water Trading Entity at, and for the year ended, 31 March 2014.

Material impairments

- 11 Disclosed in note 12 to the financial statements is material impairments of debtors, to an amount of R3,9 billion which were incurred due to incorrect billings in the past and poor collection practices.

Report on other legal and regulatory requirements

- 12 In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

- 13 I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the entity for the year ended 31 March 2015:
- Programme 3: Water Infrastructure Management on pages 121 to 134
 - Programme 4: Regional Implementation and Support on pages 135 to 138
- 14 I evaluated the reported performance information against the overall criteria of usefulness and reliability.
- 15 I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
- 16 I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 17 The material findings in respect of the selected programmes are as follows:

Programme 3: Water Infrastructure Management

Usefulness of reported performance information

- 18 Performance targets should be measures as required by the FMPPI. I could not measure the required performance for 61% of the targets.
- 19 Performance indicators must be well defined by having clear data definitions so that data can be collected consistently and is easy to understand and use as required by the FMPPI. A total of 61% of the indicators were not well defined.
- 20 The processes and systems that produced the indicator measure should be verifiable as required by the FMPPI. A total of 61% of the indicators were not verifiable.

Reliability of reported performance information

- 21 The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements.

Programme 4: Regional Implementation and Support

Usefulness of reported performance information

- 22 I did not identify any material findings on the usefulness of the reported performance information for Regional Implementation and Support programme.

Reliability of reported performance information

- 23 The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. The reported performance information was not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements.

Achievement of planned targets

- 24 Refer to the annual performance report on pages 118 to 138 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 20 to 24 of this report.

Compliance with legislation

- 25 I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

- 26 The accounting officer did not ensure that the entity maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the entity's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required in section 38(1)(a)(i) and (b) of the PFMA.

Procurement and contract management

- 27 Goods and services with a transaction below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

Expenditure management

- 28 Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the Public Finance Management Act and Treasury Regulation 9.1.1.

Internal control

- 29 I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

- 30 Inadequate oversight responsibility over internal controls related to performance reporting and compliance.

Financial and performance management

- 31 Proper record keeping in a timely manner was inadequate to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.
- 32 There were inadequate controls over daily and monthly processing and reconciling on performance reporting.

- 33 There were inadequate reviews on performance reports to ensure that they are supported and evidenced by sufficient and appropriate information.
- 34 Lack of proper review and monitoring resulted in non-compliance with laws and regulations.

Other reports

Performance audits

- 35 Performance Audit on the effectiveness of Basic Water Infrastructure Programme Implemented on behalf of the Department of Water and Sanitation from 2008/09 until 2014/15 is being performed by AGSA. The report is expected to be tabled in parliament on 30 November 2015.

Investigations

- 36 The SIU performed an investigation at the request of presidential hotline, which covered the period under review. The investigation was initiated based on an allegation of possible misconduct. The investigation concluded on 17 October 2014 and resulted in disciplinary proceedings being instituted against two employees. These proceedings are currently in progress.

Auditor-General

Pretoria

31 July 2015



3 ANNUAL FINANCIAL STATEMENTS OF THE WATER TRADING ENTITY FOR THE YEAR ENDED 31 MARCH 2015

3.1 Statement of financial performance

| | Notes | 2015 R'000 | 2014 Restated R'000 |
|-------------------------------------------|-------|-------------------|---------------------------|
| Revenue | | 12 314 288 | 10 574 208 |
| Revenue from exchange transactions | 3 | 9 594 207 | 8 488 855 |
| Revenue from non-exchange transactions | 4 | 2 720 081 | 2 085 353 |
| Expenditure | | 9 499 470 | 7 594 529 |
| Employee benefit costs | 5 | 696 471 | 678 206 |
| Operating expenditure | 6 | 3 606 335 | 3 190 225 |
| Impairment on financial assets | 7 | 925 385 | 561 489 |
| Finance cost | 8 | 2 163 832 | 1 336 771 |
| Depreciation, amortisation and impairment | 9 | 2 076 561 | 1 782 516 |
| Loss on disposal of fixed assets | 10 | 30 886 | 45 332 |
| Surplus/(deficit) for the year | | 2 814 818 | 2 979 679 |

3.2 Statement of financial position

| | Note | 2015 R'000 | 2014 R'000 |
|----------------------------------------|------|---------------|---------------|
| ASSETS | | | |
| Current assets | | 7 287 027 | 5 902 513 |
| Cash and cash equivalents | 11 | | 1 545 868 |
| | | 1 924 895 | 1 924 895 |
| Receivables from exchange transactions | 12 | 5 621 201 | 3 808 435 |
| Inventory | 13 | 119 958 | 169 183 |
| Non-current assets | | 90 214 792 | 89 442 378 |
| Property, plant and equipment | 14 | 74 358 170 | 73 577 313 |
| Intangible assets | 15 | 15 856 622 | 15 865 065 |
| Total assets | | 97 501 819 | 95 344 891 |
| LIABILITIES | | | |
| Current liabilities | | 4 847 323 | 4 503 199 |
| Payables from exchange transactions | 16 | 1 044 203 | 1 177 980 |
| Employee benefits | 17 | 175 734 | 195 445 |
| Finance lease liability | 18 | 16 095 | 36 826 |
| Financial liabilities: TCTA | 19 | 3 611 291 | 3 092 948 |
| Non-current liabilities | | 23 138 550 | 24 140 628 |
| Finance lease liability | 18 | 34 504 | 12 609 |
| Financial liabilities: TCTA | 19 | 23 104 046 | 24 128 019 |
| Total liabilities | | 27 985 873 | 28 643 827 |
| Total net assets | | 69 515 946 | 66 701 064 |
| NET ASSETS | | | |
| Reserves | | | |
| Accumulated surplus | | 69 170 634 | 66 432 478 |
| Pumping cost reserve | | 345 312 | 268 586 |
| Net assets | | 69 515 946 | 66 701 064 |

PART E: WTE FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

3.3 Statement of changes in net assets

| | Note | Accumulated surplus R'000 | Pumping Cost Reserve R'000 | Net Assets R'000 |
|---------------------------------|------|------------------------------|-------------------------------|---------------------|
| Balance at 1 April 2013 | | 63 473 889 | 247 493 | 63 721 382 |
| As previously stated | | 65 890 395 | 247 493 | 66 137 888 |
| Prior period error | 30 | (2 416 506) | - | (2 416 506) |
| <i>Surplus for the year</i> | | 2 979 679 | | 2 979 679 |
| As previously stated | | 4 010 259 | | 4 010 259 |
| Prior period error | 30 | (1 030 580) | | (1 030 580) |
| <i>Net movement in reserves</i> | | (21 093) | 21 093 | - |
| Transfers between reserves | | (21 093) | 21 093 | - |
| Balance at 31 March 2014 | | 66 432 478 | 268 586 | 66 701 064 |
| As previously stated | | 69 879 563 | 268 586 | 70 148 149 |
| Prior period error | 30 | (3 447 085) | - | (3 447 085) |
| <i>Surplus for the year</i> | | 2 814 818 | - | 2 814 818 |
| <i>Net movement in reserves</i> | | (76 726) | 76 726 | - |
| Transfers between reserves | | (76 726) | 76 726 | - |
| Balance at 31 March 2015 | | 69 170 634 | 345 312 | 69 515 946 |

3.4 Cash flow statement

| | Note | 2015 R'000 | 2014 R'000 |
|-------------------------------------------------------------|------|---------------|---------------|
| Cash flows from operating activities | | | |
| <i>Cash receipts</i> | | 10 182 009 | 9 299 693 |
| Taxes and transfers | | 2 399 258 | 2 085 265 |
| Sale of water services | | 6 492 412 | 6 225 144 |
| Construction and other revenue | | 566 707 | 600 003 |
| Water research levies - receipts | | 80 162 | 209 301 |
| Commission earned | | 2 866 | 2 647 |
| Lease revenue earned | | 13 606 | 16 792 |
| Interest revenue | | 626 998 | 160 541 |
| | | | |
| <i>Cash payments</i> | | (4 547 756) | (3 343 837) |
| Employee benefits | | 716 182 | 659 154 |
| Water Research Commissioner - payments | | 81 316 | 77 413 |
| Goods and services | | 3 738 984 | 2 185 113 |
| Finance cost paid | | 4 612 | 417 165 |
| Finance cost paid: Leases | | 6 661 | 4 991 |
| | | | |
| Net cash flows from operating activities | 20 | 5 634 254 | 5 955 857 |
| | | | |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (1 401 332) | (1 497 513) |
| Acquisition of intangible assets | | - | (372) |
| Proceeds on disposal of non-current assets | | 2 306 | 1 831 |
| | | (1 399 026) | (1 496 053) |
| Net cash flows used in investing activities | | | - |
| | | | |
| Cash flows from financing activities | | | |
| Finance lease payments | | (15 148) | (5 972) |
| Repayments of other financial liabilities | | (4 599 107) | (4 623 503) |
| | | | |
| Net cash flows from financing activities | | (4 614 255) | (4 629 475) |
| | | | |
| Net increase/(decrease) in cash and cash equivalents | | (379 027) | (169 671) |
| | | | |
| Cash and cash equivalents at beginning of year | | 1 924 895 | 2 094 566 |
| | | | |
| Cash and cash equivalents at end of year | 11 | 1 545 868 | 1 924 895 |

3.5 Notes to the financial statements

1 Presentation of Financial Statements

1.1 Statement of compliance

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB).

1.2 Adoption of GRAP

The following Standards of GRAP, that become effective in the current financial year, were adopted early in the previous year. As a result, there is no impact in the current financial year:

| | |
|---------|-------------------|
| GRAP 25 | Employee Benefits |
|---------|-------------------|

In addition to the Standards that have to be applied, the WTE early adopted the amendments to the Standards made as a result of the improvements project of the ASB in so far as it is applicable to the transactions of the WTE. The applicable Standards, effective from 1 April 2013, are listed below:

| | |
|----------|--------------------------------------------------------------------------------------------------------------------|
| IGRAP 1 | Applying the probability test on initial recognition of revenue |
| IGRAP 2 | Changes in existing decommissioning restoration and similar liabilities |
| IGRAP 3 | Determining whether an arrangement contains a lease |
| IGRAP 4 | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds |
| IGRAP 5 | Applying the restatement approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies |
| IGRAP 7 | The limit on a Defined Benefit Asset, minimum funding requirements and their interaction |
| IGRAP 8 | Agreements for the construction of assets from exchange transactions |
| IGRAP 9 | Distributions of non-cash assets to owners |
| IGRAP 10 | Assets received from customers |
| IGRAP 13 | Operating Leases - Incentives |
| IGRAP 14 | Evaluating the substance of transactions involving the legal form of a lease |
| IGRAP 15 | Revenue - Barter transactions involving advertising services |

Based on the analysis of the transactions of the WTE, these Standards do not currently have an impact on the WTE and the adoption of these Standards will thus have no impact on the current financial statements.

1.3 Standards of GRAP issued but not yet effective

The Standards of GRAP that has been issued by the ASB, but where the Minister has not determined an effective date, has not been adopted by the WTE. The WTE used the Standard of GRAP on Related Party Disclosures (GRAP 20) to develop its accounting policies on Related Party Disclosures to determine the extent of disclosures for related party transactions and balances.

1.3.1 Standard utilised in developing disclosures

The WTE has utilised the following Standard of GRAP to determine the disclosures around related parties:

| | |
|---------|---------------------------|
| GRAP 20 | Related Party Disclosures |
|---------|---------------------------|

In the previous year IPSAS 20 were applied. The principles between IPSAS 20 and GRAP 20 are aligned. As a result, the adoption of GRAP in the year 2011/12 did not impact. This standard has been approved but is not yet effective.

1.3.2 Standards not yet applicable

It's unlikely that the following Standards and/or amendments to Standards, that have been issued but are not yet effective, will have a material impact on the financial statements of the WTE once they become effective and therefore accounting policies have not been developed for the following Standards:

| | |
|---------------------------|----------------------------------------------------------------------|
| IGRAP 6 | Loyalty programmes |
| IGRAP 11 | Consolidation – Special purpose entities |
| IGRAP 12 | Jointly controlled entities – Non monetary contributions by ventures |
| GRAP 6 (as revised 2010) | Consolidated and Separate Financial Statements |
| GRAP 7 (as revised 2010) | Investments in Associates |
| GRAP 8 (as revised 2010) | Interests in Joint Ventures |
| IGRAP16 | Intangible assets website costs |
| GRAP 18 | Segment Reporting |
| GRAP 27 (as revised 2012) | Agriculture (Replaces GRAP 101) |
| GRAP 31 (as revised 2012) | Intangible Assets (Replaces GRAP 102) |
| GRAP 105 | Transfer of functions between entities under common control |
| GRAP 106 | Transfer of functions between entities not under common control |
| GRAP 107 | Mergers |

Based on the analysis of the transactions of the WTE, these Standards do not impact the WTE and the adoption of these Standards will thus have no impact on the current financial statements.

1.4 Basis of preparation

The financial statements are prepared on the accrual basis using historical cost as a measurement basis, unless another measurement basis is required by Standards of GRAP. The significant accounting policies applied are set out below.

1.5 Functional currency

The financial statements are prepared in South African Rand (R) which is also the functional currency of the WTE. All values are rounded to the nearest thousand (R'000) except where otherwise indicated.

1.6 Going concern

The annual financial statements have been prepared on a going concern basis.

1.7 Off-setting

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.8 Comparative figures

Where necessary, comparative figures have been adjusted to correct errors identified in the current year but relating to prior years, and to conform to changes in presentation in the current year. The effects of restatements are disclosed in note 30.

1.9 Significant judgments and sources of estimation uncertainty

1.9.1 Initial measurement of financial assets

Short-term financial assets have been measured initially at the transaction price unless there was an indication that the transaction was provided at terms that were longer than the normal credit term of 30 days. Where extended payment terms were given, the transaction prices are discounted at the rate applicable to debt owed to the State to determine the fair value for initial measurement purposes.

1.9.2 Impairment of financial assets

An impairment is recognised for estimated losses firstly on an individually significant receivables and secondly on a group of receivables with similar credit risk that are assessed to be impaired based on objective evidence as a result of one or more events that occurred during the reporting period. For debtors which have defaulted, management makes judgments based on an assessment of their ability to make future payments. Creditworthiness is not used in assessing debtor balances. Should the financial condition of the customers change, actual write-offs could differ significantly from the impairment losses recognised. The current year's provision for impairment is based on management's best estimate

of the expected cash flows for amounts that are outstanding for longer than the normal payment terms. A full provision was made for trade debtors that could not be traced after significant effort has been made. The future expected receipt has been discounted at the current interest rate (8.5%) applicable to entities owing money to the state (prior year: 8.5%).

1.9.3 Useful lives and impairment of assets

Due to the fact that the WTE has budget constraints, management is of the opinion that the useful life of an asset will approximate the economic life of the asset, except for certain construction equipment which is earmarked for sale. The review of the useful lives and residual values are performed annually based on a risk assessment approach. Where factors exist that indicate that the useful life needs to be amended, the useful life is reassessed. This estimate is based on judgment, taken into account historical usage patterns as well as the condition of the asset. As the WTE plans to use the assets for their entire economic life, the residual values on these assets are estimated to be zero. The estimated useful life of leased assets that are capitalised are usually equal to the term of the lease contract unless other factors exist that may indicate a shorter lease period.

Property, plant and equipment and intangible assets are assessed annually for indicators of impairment. The assessment takes into account utilisation, condition, functional performance and obsolescences. Changes in these factors may lead to either an impairment loss or a reversal of previous impairment losses recognised.

The estimated useful lives of property, plant and equipment are as follows:

- Infrastructure assets
- Land
- Buildings
- Canals
- Dams and weirs
- Pipelines
- Pump stations
- Reservoirs
- Treatment works
- Tunnels
- Power Supply
- Roads and Bridges
- Boreholes
- Measuring Facilities
- Telemetry
- Servitudes
- Movable assets
- Vehicles
- Computer equipment
- Office equipment, Furniture and furniture
- Construction equipment
- Machinery and equipment
- Dwellings: mobile homes
- Intangible assets
- Software and licenses

Management is of the view that the current assets of the WTE is non-cash generating, despite the fact that certain water users are classified as commercial users as most of the projects are funded through additional funds received through the transfer payment from the Department of Water & Sanitation. Therefore, any impairment that has been identified was calculated using the recoverable service amount of the asset.

The depreciation methods were assessed and are considered to be appropriate and will not change unless there is a change in the way that assets will be utilised, which is unlikely in the foreseeable future.

1.9.4 Recognition of servitudes

Servitudes on land are often acquired as part of construction of water infrastructure. Where the cost of servitudes can be measured reliably, these assets are included in the cost of infrastructure as it forms an integral part of the cost of the asset, and are recognised as separate components of the water infrastructure.

1.9.5 Agreements with Trans Caledon Tunnel Authority (TCTA)

As the DWS through WTE is responsible for the development, operation and maintenance of specific water resources infrastructure and managing water resources in specific water management areas, management concluded that the WTE controls the infrastructure assets that are constructed by the TCTA and has to assume the related liabilities. The cost of the assets recognised includes all the cost attributable to the asset until the asset has been ready for its intended use. The internal cost of capital was assumed to approximate the cost of capital of the TCTA, as the DWS (effectively through the WTE) is providing the required guarantees for the debt (and thus TCTA and WTE) have a similar risk profiles to obtain external funding from commercial borrowings.

1.9.6 Measurement of inventories on hand

Materials on hand are to be consumed in the production process. As all the cost incurred is recovered from users or through the augmentation grant, and the price of the inventory items are subject to inflation, it is assumed that the net realisable value or replacement cost will be equal to or exceed the cost of the item at year-end. Therefore, there has been no provision made at year-end for losses in the value of stock due to price changes.

All inventories are shown at cost or net realisable value.

1.9.7 Commitments

Commitments included in disclosure note 24 have been based on orders relating to capital projects but where the goods or services have not been delivered.

1.9.8 Contingent liabilities and provisions

Contingent liabilities and provisions have been based on the best estimate available. Contingent liabilities relating to litigation have been based on the assessment of the estimated claim against the WTE as at 31 March 2015.

1.9.9 Capitalisation of expenses relating to constructed assets

The costs of inventory and property, plant and equipment produced internally include materials, depreciation and certain overheads incurred to produce these assets. The allocation of costs to the different items is based on judgment. The allocation usually occurs on a proportionate basis and where the items produced are to be used internally, exclude internal profits. Abnormal losses are determined based on judgment and is excluded from the cost of assets under construction.

1.9.10 Classification of leases

The WTE classifies lease agreements in accordance with risks and rewards incidental to ownership. Where the lessor transfers substantially all the risks and rewards to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

2 Significant accounting policies

2.1 Revenue

When the WTE receives value in the form of an asset and directly provides approximate equal value in exchange, the WTE classifies the revenue received or receivable as revenue from exchange transactions. All other revenue is classified as revenue from non-exchange transactions. Revenue is measured at the fair value of the consideration received or receivable, net of any VAT, trade discounts and volume rebates and recognised when it becomes due to the WTE.

2.1.1 Revenue from non-exchange transactions

The WTE recognises the inflow of resources from a non-exchange transaction as revenue, except when a liability is recognised in respect of that inflow. These liabilities are classified as payables from non-exchange transactions.

Where services are received in-kind, and a reliable estimate can be made, the WTE will recognise the related revenue. In all other cases, the WTE will only disclose the event.

2.1.2 Revenue from exchange transactions

Revenue relating to the supply of water is recognised either on the consumption of water by the water users or in accordance with registered volumes, depending on the specific agreement with licensed water users.

Revenue from construction contracts is recognised by reference to the stage of completion of the contract when the outcome of a construction contract can be estimated reliably. The stage of completion is based on the cost to date and is assessed based on surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable in the period in which they are incurred. An expected loss on a contract is recognised immediately in the Statement of Financial Performance in the period in which it was incurred.

Interest is recognised using the effective interest rate method.

Other revenue from exchange transactions is recognised in the statement of financial performance when the revenue becomes due to the WTE.

2.1.3 Agency fees and revenue

The WTE bills and collects water research levies on behalf of the Water Research Commissioner and earns 2% commission, excluding VAT, on the amount billed. The revenue collected (amounts billed less outstanding debt) is recognised as a liability and the payments made to the WTE decreases the liability. The net asset/liability is recognised in the statement of financial position.

The commission earned is recognised as revenue from exchange transactions in the statement of financial performance and the amount owed/overpaid on the commission is recognised in receivables/payables from exchange transactions.

2.2 Expenditure

Expenditure is classified in accordance with the nature of the expenditure.

The WTE recognises expenditure in the statement of financial performance when a decrease in future economic benefits or service potential related to a decrease in an asset or an increase of a liability, other than those relating to distributions to owners, has arisen, that can be measured reliably.

The WTE recognises expenses immediately in the statement of financial performance when expenses produce no future economic benefits or service potential or when and to the extent that, future economic benefits or service potential do not qualify, or cease to qualify, for recognition in the statement of financial position as an asset.

The WTE also recognises expenses in the statement of financial performance in those cases when a liability is incurred without the recognition of an asset, for example, when a liability under a court ruling arises.

Finance cost is recognised as an expense in surplus or deficit in the statement of statement of financial performance in the period in which it is incurred, using the effective interest rate method.

2.3 Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The WTE incurs borrowing costs as a result of the construction of infrastructure. The WTE capitalise borrowing costs that are directly attributable to

the acquisition, construction or production of a qualifying asset as part of the cost of that asset. All other borrowing costs are expensed in the period in which it is incurred.

2.4 Employee benefits

2.4.1 Short-term employee benefits

The WTE recognises an undiscounted amount of short-term benefits due to employees in exchange for the rendering of services by employees as follows:

- As a liability in cases where the amounts have not yet been paid. Where the amount paid exceeds the undiscounted amount of the benefits due, the entity recognises the excess as an asset to the extent that the overpayment will lead to a reduction of future payments or a cash refund.
- As an expense, unless the entity uses the services of employees in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the related property, plant and equipment or intangible asset item.

2.4.2 Leave benefits

The WTE recognises the expected cost of short-term employee benefits in the form of compensated absences (paid leave) when the employees render service that increases their entitlement to future compensated absences.

The expected cost of accumulating compensated absences is measured as the additional amount that the WTE expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.4.3 Performance and service bonuses

The WTE recognises the expected cost of performance or service bonus payments where there is a present legal or constructive obligation to make these payments as a result of past events and a reliable estimate of the obligation can be made. The WTE considers the present obligation to exist when it has no realistic alternative but to make the payments related to performance bonuses.

2.4.4 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy for these benefits or resigns. The WTE recognises termination benefits when it is demonstrably committed either to terminate the employment of current employee(s) according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the end of the financial year are discounted to present value.

2.4.5 Retirement and medical benefits

The WTE contributes towards the pension fund and the medical aid for its employees through a defined contribution plan. Once the contributions are paid, the WTE has no further payment obligations. The contribution paid is charged to employee expenses in the same year as the related service is provided.

2.5 Leases

2.5.1 The WTE as a lessee

The WTE classifies certain leases of equipment and vehicles as finance leases.

The assets acquired under finance leases are recognised as assets and the associated lease obligations as liabilities in the statement of financial position at the commencement of the lease term. The assets and liabilities is recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Where practicable, the discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease. Where this is not practical, the WTE's incremental borrowing rate is used. Any initial direct costs are added to the amount recognised as an asset.

The WTE measures the liability as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest (i.e. the WTE recognises the capital portion of the obligation as a liability and recognises the interest over the lease term).

The leased assets are subsequently measured at cost less accumulated depreciation and impairment. The leased assets are depreciated over the shorter of the lease agreement or the useful life of the asset. The minimum lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases that are longer than 1 year are measured on a straight line basis as an expense, and the difference between the actual payments and the expense is accrued through payables or receivables. Where the lease is less than 1 year, the actual expenses are recognised in the statement of financial performance.

2.5.2 *The WTE as a lessor*

The WTE receives lease revenue for the hiring out of equipment and renting of houses to its employees.

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, where the lease term can be determined. The lease charge of construction equipment is based on a charge-out tariff determined on a cost recovery basis.

2.6 **Property, plant and equipment**

An item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the WTE, and the cost or fair value of the item can be measured reliably. An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

After recognition as an asset, items of property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses, except for assets under construction. Subsequent costs are included in the assets carrying amount or recognised as a separate asset only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of that item can be reliably measured.

Assets under construction are stated at cost, excluding abnormal losses. Depreciation only commences on these assets when they are in the condition necessary for them to be capable of operating in the manner intended by management.

Cost comprises of the purchases price or construction cost of the asset (excluding internal profits), costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an estimate of the cost of dismantling or rehabilitation.

Where an intangible asset is an integral part of an item of property, plant and equipment, the cost of the intangible asset is not recognised separately from the cost of the asset, but rather, it is included as a separate component of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Depreciation is calculated on a straight line basis over the expected life of each major component of an asset. Depreciation is charged to the statement of financial performance, unless it forms part of the cost of inventories or the cost of assets under construction.

The residual value and the useful life of an asset is reviewed at least at each reporting date and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate.

The WTE must assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the WTE will estimate the recoverable service amount of the asset. Items of property, plant and equipment are tested for impairment whenever there are impairment indicators. An impairment loss is recognised where the carrying amount exceeds recoverable service amount for non-cash generating assets and where the carrying amount exceeds the recoverable amount for cash-generating assets.

Gains or losses arising from the derecognition of an item of property, plant and equipment is recognised directly in surplus or deficit in the statement of financial performance when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.7 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An asset meets the identifiability criterion in the definition of an intangible asset when it is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Identifiable intangible assets are recognised if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the WTE, and the cost or fair value of the item can be measured reliably. An intangible asset is measured initially at cost. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition, is measured at its fair value as at that date.

After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, unless such useful lives are indefinite.

An intangible asset with an indefinite useful life is not amortised. Intangible assets with an indefinite useful life or an intangible asset not yet available for use, are tested for impairment at the end of each financial year and whenever there is any indication that the intangible asset could be impaired. Other intangible assets are only tested for impairment where there is an indication that impairment exists.

Gains and losses on intangible assets, including impairment and impairment reversals, are treated similarly to gains and losses for property, plant and equipment.

2.8 Non-current assets held for sale

The WTE classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable, i.e. a committed plan to dispose of the asset will exist.

The WTE measures non-current assets classified as held for sale at the lower of carrying amount and fair value less costs to sell.

2.9 Inventory

Inventories are assets in the form of materials or supplies to be consumed in the production process; in the form of materials or supplies to be consumed or distributed in the rendering of services; held for sale or distribution in the ordinary course of operations; or in the process of production for sale or distribution.

Inventory is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the WTE; and the cost of the inventory can be measured reliably.

Inventory is initially measured at cost (or fair value if the item was acquired through a non-exchange transaction), and subsequently measured at the lower of cost or net realisable value. Costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition are included in the cost of inventories. Construction and building materials are measured using the First-In-First-Out method and all other inventories are measured using the Weighted Average Cost method. Where inventory is distributed at no or a nominal charge, inventory is measured at the lower of cost or replacement cost.

2.10 Construction contracts and receivables

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

2.11 Financial instruments

2.11.1 Initial recognition and classification

The WTE classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or a residual interest in accordance with the substance of the contractual arrangement.

Financial instruments are recognised initially when the WTE becomes a party to the contractual provisions of the instruments and WTE funds are committed or receive the benefits.

The WTE does not offset a financial asset and a financial liability unless a legally enforceable right to set off the recognised amounts currently exists; and the entity intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.11.2 Initial measurement

Financial instruments are initially measured at fair value.

2.11.3 Transaction costs

Transaction costs on financial instruments at fair value are recognised in the statement of financial performance. Transactions costs on other financial instruments are included in the cost of the instrument.

2.11.4 Subsequent measurement

All non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding instruments that has been designated at fair value or are held for trading, are measured at amortised cost. Instruments that do not meet the definition of financial assets or financial liabilities measured at amortised cost are measured at fair value unless fair value cannot be determined. Those instruments where fair value cannot be measured reliably, is measured at cost.

Amortised cost is calculated based on the effective interest rate method.

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Net gains or losses on the financial instruments at fair value through profit or loss includes transaction costs, interest and foreign exchange gains or losses. A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

2.11.5 Impairment of financial assets

At each reporting date the WTE assesses all financial assets, other than those at fair value, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

The inability to redeem amounts due based on the current stream of payments, and default of payments are considered to be indicators of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Impairment losses are recognised in the statement of financial performance as expenses.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed does not exceed the carrying amount that would have been recognised had the impairment not been recognised.

Reversals of impairment losses are recognised in the statement of financial performance as revenue.

Impairment losses are not reversed for financial assets held at cost where fair value was not determinable.

The following items included in the statement of financial position contains financial instruments:

- Cash and cash equivalents;
- Receivables from exchange transactions;
- Other financial assets;
- Payables from exchange transactions; and
- Other financial liabilities.

2.11.6 **Derecognition**

Financial assets

The WTE derecognises financial assets using trade date accounting.

The WTE derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the WTE transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the WTE, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the WTE:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the WTE transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the WTE adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the WTE obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the WTE recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the WTE has retained substantially all the risks and rewards of ownership of the transferred asset, the WTE continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the WTE recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The WTE removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted

for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another WTE by way of a non exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non exchange Transactions (Taxes and Transfers).

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are initially and subsequently measured at fair value.

2.13 Receivables from exchange transactions

Receivables from exchange transactions measured at amortised cost arise from transactions with water users. Prepayments and advances consist of amounts paid to contractors and employees for which future goods and services are expected to be received. Prepayments and advances are not classified as financial instruments.

2.14 Receivables from non-exchange transactions

Receivables from non-exchange transactions are recognised when the WTE has a right to receive the monies due to it, which are allocated in terms of legislation or are due in accordance with an agreement in which the WTE is receiving non-exchange revenue. Receivables from non-exchange transactions are initially measured at fair value and subsequently measured at amortised cost.

2.15 Other financial assets

Other financial assets are measured at fair value unless the fair value cannot be determined reliably. Where fair value cannot be determined, financial assets are measured at cost.

2.16 Payables from exchange transactions

The WTE recognises payables from exchange transactions where liabilities result in counter performance by the respective parties.

Payables from exchange transactions are initially measured at fair value, and are subsequently measured at amortised cost.

2.17 Payables from non-exchange transactions

The WTE recognises payables from non-exchange transactions for amounts received through non-exchange revenue, which are not recognised as revenue as a result of outstanding obligations.

Payables from non-exchange transactions are initially measured at fair value, and are subsequently measured at amortised cost.

2.18 Other financial liabilities

Included in other financial liabilities are the liability incurred to the TCTA. The liability is initially measured at fair value and is subsequently measured at amortised cost. Effective interest is capitalised against the amounts outstanding in accordance with the respective agreements.

2.19 Provisions and accruals

Provisions are liabilities where uncertainty exists about the timing or amount of the future expenditure required to settle the liability.

The WTE recognises, in payables, an amount for accruals where an estimate is made of the amounts due for goods or services that have been received or supplied, but the invoice is outstanding or a formal agreement with the supplier has not been concluded.

Provisions are liabilities that are recognised where the WTE has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the amount to settle the present obligation at the reporting date, discounting to present value where the time value of money is expected to be material.

2.20 Contingents assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in notes 26 and 27.

2.21 Reserves

The WTE classifies its reserves in two categories namely pumping cost reserve and accumulated reserves. None of these reserves are distributable reserves.

2.21.1 Pumping cost reserve

The WTE recovers an additional charge from specific water users in the Vaal River scheme to cover for pumping costs. This additional fee is charge to reduce the impact of price increases as a result of additional pumping cost incurred in times of emergencies, drought and other contingencies.

A transfer is made from the accumulated reserves to the pumping cost for amounts recovered from users for pumping cost and from pumping cost to accumulated reserves for the actual costs incurred.

2.21.2 Accumulated reserves

Accumulated reserves consist of the net assets less amounts transferred to other reserves. Accumulated reserves are mainly build up as a result of the depreciation and return on asset charge included in the pricing strategy and the capital portion of augmentation funds included in revenue recognised. This is to ensure adequate rehabilitation and maintenance of existing infrastructure and future infrastructure development.

2.22 Budget information

The budget is prepared on a modified accrual basis. The WTE does not budget for any revenue other than the transfer payment received through the Department of Water & Sanitation. Expenditure incurred exceeding the transfer payment is defrayed from accumulated reserves.

2.23 Related parties

Parties are considered to be related if one party has the ability to control the other party, exercise significant influence over the other party or jointly controls the other party. Specific information with regard to related party transactions is included in note 23.

2.24 Irregular, fruitless and wasteful expenditure and material losses through criminal conduct

Irregular, fruitless and wasteful expenditure and material losses through criminal conduct is recognised as expenditure in the statement of financial performance according to the nature of the payment and disclosed separately in notes 28 and 29. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Any receivable recognised as a result of irregular, fruitless and wasteful expenditure or material losses through criminal conduct are subject to an annual impairment assessment.

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

3.6 Notes to the financial statements

| | | Notes | 2015 R'000 | 2014 R'000 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------|---------------|
| 3 | Revenue from exchange transactions | | | |
| | | | 8 075 935 | 7 259 656 |
| | Sale of water services | | 853 812 | 827 150 |
| | Construction revenue | | 2 866 | 2 647 |
| | Commission earned | | 2 275 | 2 123 |
| | Receivables | | 591 | 524 |
| | Short-term deposits and bank accounts | | 626 998 | 160 541 |
| | Interest revenue | | 626 992 | 160 531 |
| | Receivables | | 6 | 10 |
| | Short-term deposits and bank accounts | | 13 606 | 16 792 |
| | Lease revenue earned | | 14 | 3 756 |
| | Equipment | | 13 592 | 13 036 |
| | Property | | 1 776 | 6 629 |
| | Sale of goods - scrap materials and waste paper | | 19 215 | 215 439 |
| | Other revenue | | | |
| | | | 9 594 208 | 8 488 854 |
| | The fair value of inflowing resources was measured based on the fair value of the cash consideration received or receivable, net of any discount and VAT. | | | |
| 4 | Revenue from non-exchange transactions | | | |
| | <i>Transfer revenue includes:</i> | | | |
| | Funds from the Department of Water Affairs | | 2 399 258 | 2 085 265 |
| | <i>Other revenue:</i> | | | |
| | Assets received/transferred | | 320 727 | |
| | Water usage license fees | | 96 | 89 |
| | | | 2 720 081 | 2 085 354 |
| | Funds are transferred from the Department of Water Affairs as an augmentation to revenue earned to enable the WTE to carry out its operating activities. | | | |
| 5 | Employee benefit costs | | | |
| | Employee benefits consists of: | | | |
| | Short term employee benefits | | 1 421 044 | 1 192 554 |
| | Less: direct labour capitalised to assets under construction | | (364 832) | (225 135) |
| | Less: amounts capitalised to construction costs for third parties | | (359 742) | (289 208) |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 | 2014 R'000 |
|----------|--------------------------------------------------------------------------------------------------|-----------|---------------|
| 6 | Operating expenditure | | |
| | <i>Construction costs incurred</i> | 812 336 | 806 975 |
| | <i>Other operating expenditure</i> | | |
| | Administrative fees | 291 | 2 131 |
| | Audit cost | 15 839 | 19 867 |
| | Communication | 30 492 | 31 826 |
| | Computer services | 9 586 | 6 921 |
| | Electricity | 227 403 | 263 610 |
| | Entertainment | 29 | 16 |
| | Facility and management fee: TCTA | 793 155 | 955 582 |
| | Materials consumed | 276 163 | 309 700 |
| | Maintenance, repairs and running costs | 252 717 | 96 887 |
| | Operating leases | 56 340 | 75 454 |
| | Owned and leasehold property expenditure | 84 786 | 55 673 |
| | Professional services: Business and advisory services, contractors and agency/outourced services | 394 752 | 213 582 |
| | Professional services: Infrastructure and planning | 288 459 | 159 681 |
| | Printing, posting and stationery | 16 947 | 18 227 |
| | Transport costs | - | 755 |
| | Travel and subsistence | 117 586 | 130 422 |
| | Training and staff development | 13 234 | 16 410 |
| | Venues and facilities | 2 238 | 5 166 |
| | Auxiliary | 213 982 | 21 340 |
| | | 3 606 335 | 3 190 224 |
| | The amounts above includes changes in estimates for reversals in accruals | | |
| 7 | Impairment on financial assets | | |
| | Impairment relating to: | | |
| | Trade receivables | 924 841 | 530 679 |
| | Staff receivables | 733 | 2 336 |
| | Other receivables | (189) | 28 474 |
| | | 925 385 | 561 489 |
| 8 | Finance cost | | |
| | Finance leases | 6 661 | 4 991 |
| | Interest on amortised payables | 2 157 171 | 1 331 779 |
| | | 2 163 832 | 1 336 771 |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| 9 | Depreciation, amortisation and impairment | | |
| | Depreciation on property, plant and equipment | 2 092 268 | 1 980 118 |
| | Computer equipment | 8 396 | 5 073 |
| | Equipment | 96 448 | 144 253 |
| | Furniture and Fittings | 7 523 | 6 115 |
| | Infrastructure | 1 964 625 | 1 810 912 |
| | Leased equipment | 3 808 | 3 005 |
| | Leased vehicles | 12 597 | 8 511 |
| | Mobile homes | (1 800) | 1 675 |
| | Vehicles | 671 | 574 |
| | Amortisation on intangible assets | 9 452 | 8 724 |
| | Computer software | 9 452 | 8 724 |
| | Change in estimate | (72 765) | (225 819) |
| | Computer equipment | (10) | (39) |
| | Equipment | (5 363) | - |
| | Furniture and Fittings | 3 137 | (548) |
| | Infrastructure | (76 212) | (221 505) |
| | Mobile homes | 5 180 | (14) |
| | Vehicles | 503 | (4) |
| | Computer software | - | (3 708) |
| | Impairment and impairment reversals | 330 494 | 23 979 |
| | Computer equipment | (1 100) | 129 |
| | Computer software | (1 082) | 3 254 |
| | Equipment | 295 662 | (7 103) |
| | Furniture and Fittings | (3 660) | (10 385) |
| | Infrastructure | 41 517 | 39 749 |
| | Mobile homes | 94 | 11 |
| | Vehicles | (937) | (1 676) |
| | Change in estimate - impairment | (282 887) | (4 485) |
| | Infrastructure | 22 666 | 9 880 |
| | Equipment | (305 554) | (14 365) |
| | | 2 076 561 | 1 782 517 |
| | Various Movable assets and Infrastructure assets with original remaining useful lives varying between 1-100 years have been revised in the beginning of the current period to reflect a new depreciable amount (impairment implications) and the actual pattern of service potential derived from these assets (Revised useful lives). | | |
| | For the current financial year the depreciation and impairment are decreased due to the change in useful live approximating around R76 million. In the future the depreciation and impairment will increase with the R76 million based on the new estimate in order to depreciate the assets over the useful live. | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|-----------|------------------------------------------|------------------|---------------|
| | | | |
| 10 | Loss on disposal of fixed assets | | |
| | | 30 886 | 45 322 |
| | Loss on disposal of fixed assets | | |
| | | 30 886 | 45 322 |
| | | | |
| 11 | Cash and cash equivalents | | |
| | | | |
| | Cash and cash equivalents at fair value: | | |
| | | | |
| | Current accounts at commercial banks | 1 545 651 | 1 924 700 |
| | Short-term deposits | 112 | 106 |
| | Cash on hand | 105 | 90 |
| | | 1 545 868 | 1 924 896 |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 12 | Receivables from exchange transactions | | |
| | Current | | |
| | <i>Financial assets at amortised cost</i> | | |
| | Trade receivables | 6 478 457 | 5 124 575 |
| | Less: Provision for impairment | (3 901 797) | (2 976 956) |
| | Carrying amount at the beginning of the period | (2 976 956) | (3 262 703) |
| | Trade receivables written off | - | 912 018 |
| | Current year provision | (924 841) | (626 272) |
| | | 2 576 660 | 2 147 619 |
| | Advances to public entities | 996 014 | 801 446 |
| | Staff related receivables | 578 | 1 363 |
| | Gross carrying amount | 4 813 | 4 865 |
| | Less: Provision for impairment | (4 235) | (3 502) |
| | Claims recoverable - Departments | 29 | 137 |
| | Claims recoverable - Other | | |
| | Water Research Commission - advances | 25 328 | (44 513) |
| | Gross amount of water research levies due | (160 005) | (130 212) |
| | Outstanding debtors | 185 333 | 85 699 |
| | Other receivables | 1 942 652 | 717 818 |
| | Gross carrying amount | 1 974 174 | 749 314 |
| | Less: Provision for impairment | (31 523) | (31 496) |
| | | 5 541 261 | 3 623 870 |
| | VAT receivable | 79 940 | 184 566 |
| | | 5 621 201 | 3 623 870 |
| | The fair value of the short term receivables approximates the carrying amount of the balances due to their short-term maturity. | | |
| | Amounts past due not impaired | | |
| | Included in the financial assets at amortised cost above is an amount past due but not impaired: | 234 659 | 25 966 |
| | Age analysis of financial assets that are past due but not impaired: | | |
| | not more than two months; | 151 456 | |
| | more than two months and not more than three months; | 136 | |
| | more than three months and not more than four months; | (5 376) | 1 490 |
| | more than four months and not more than five months; | 6 967 | |
| | more than five months; | 81 476 | 24 477 |
| | | 234 659 | 25 966 |
| | Some of these long outstanding amounts may not be recoverable due to incorrect billings in the past. A reliable estimate of the incorrect billings could not be made. | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | 2015 | 2014 R'000 | R'000 |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------|
| | | | |
| 13 | Inventory | | |
| | | | |
| | Construction and building materials | 105 527 | 153 153 |
| | Consumables | 6 921 | 7 147 |
| | Fuel and lubricants | 5 178 | 6 670 |
| | Stationery | 2 331 | 2 214 |
| | | 119 957 | 169 184 |
| | | | |
| | Included in the Inventory balance is the inventory write-off of R661 096 (2014: R661 108) to bring the Inventory balance to its Net realisable value. | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| 14 | Property, plant and equipment Summary | March 2015 | | | | March 2014 | | | |
|----|------------------------------------------------------------------------------|-----------------------|-----------------------------------------------|--------------------|-------|-----------------------|-----------------------------------------------|-------------------------------|-------|
| | | Cost / revaluation | Accumulated depreciation and impairment | Carrying amount | R'000 | Cost / revaluation | Accumulated depreciation and impairment | Carrying amount - Restated | R'000 |
| | | R'000 | R'000 | R'000 | | R'000 | R'000 | R'000 | |
| | Owned assets | 91 117 978 | (16 807 012) | 74 310 966 | | 88 289 340 | (14 759 325) | 73 530 015 | |
| | Assets under construction | 9 654 275 | - | 9 654 275 | | 7 694 734 | - | 7 694 734 | |
| | Computer equipment | 53 990 | (34 213) | 19 777 | | 47 588 | (27 021) | 20 567 | |
| | Equipment | 1 339 438 | (981 361) | 358 077 | | 1 218 934 | (895 931) | 323 003 | |
| | Furniture and fittings | 93 735 | (46 395) | 47 340 | | 88 266 | (38 594) | 49 672 | |
| | Infrastructure assets | 79 907 099 | (15 721 027) | 64 186 072 | | 79 171 226 | (13 777 442) | 65 393 784 | |
| | Mobile homes | 62 647 | (20 538) | 42 109 | | 62 036 | (17 051) | 44 985 | |
| | Motor vehicles | 6 794 | (3 478) | 3 316 | | 6 556 | (3 286) | 3 270 | |
| | | | | | | | | | |
| | Leased assets | 78 434 | (31 231) | 47 203 | | 65 176 | (17 878) | 47 298 | |
| | Equipment | 11 691 | (5 544) | 6 147 | | 9 913 | (4 556) | 5 357 | |
| | Motor vehicles | 66 743 | (25 687) | 41 056 | | 55 263 | (13 322) | 41 941 | |
| | | | | | | | | | |
| | | 91 196 412 | (16 838 243) | 74 358 169 | | 88 354 516 | (14 777 203) | 73 577 314 | |
| | | | | | | | | | |
| | | | | | | | | | |
| | Leased assets are encumbered by finance lease liabilities. Refer Note 18. | | | | | | | | |

| Movement 2015 | 31 March 2014 | | | | | | | 31 March 2015 | |
|---------------------------|--------------------------|------------------|--------------------------|------------|--------------------|------------------|---------------------|-----------------|-------------------|
| | Carrying amount restated | Additions | Disposals and write-offs | Transfers | Depreciation | Impairment | Impairment Reversal | Other movements | Carrying amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Owned assets | 73 530 015 | 2 873 583 | (28 580) | | (1 982 009) | (74 730) | 26 042 | | 74 310 965 |
| Assets under construction | 7 694 734 | 2 418 067 | - | (458 525) | - | - | - | - | 9 654 275 |
| Computer equipment | 20 567 | 7 820 | (155) | (3 575) | (5 982) | - | 1 100 | - | 19 777 |
| Equipment | 323 003 | 120 151 | (9 129) | (4 270) | (81 571) | - | 9 892 | - | 358 077 |
| Furniture and fittings | 49 672 | 8 601 | (396) | (14 119) | (75) | - | 3 660 | - | 47 340 |
| Infrastructure assets | 65 393 784 | 318 069 | (18 889) | 447 118 | (1 889 826) | (74 636) | 10 453 | - | 64 186 072 |
| Mobile homes | 44 985 | 572 | - | 26 | (3 380) | (94) | - | - | 42 109 |
| Motor vehicles | 3 270 | 302 | (11) | (7) | (1 174) | - | 937 | - | 3 316 |
| | | | | | | | | | |
| Leased assets | 47 299 | 16 312 | - | - | (16 405) | - | - | - | 47 203 |
| Equipment | 5 357 | 4 600 | - | - | (3 808) | - | - | - | 6 147 |
| Motor vehicles | 41 941 | 11 712 | - | - | (12 597) | - | - | - | 41 056 |
| | | | | | | | | | |
| TOTAL ASSETS | 73 577 314 | 2 889 894 | (28 580) | | (1 998 414) | (74 730) | 26 042 | - | 74 358 169 |

Included in the inventory balance is the inventory write-off of R661 096 (2014: R661 108) to bring the inventory balance to its Net realisable value.

ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

Leased assets in the prior year were restated as a result of a change in the method of calculating the present value of lease liabilities.

| | | 2015 R'000 | 2014 R'000 |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 15 | Intangible assets | | |
| | Summary | | |
| | Enduring benefit: Lesotho Highlands | 15 844 203 | 15 844 203 |
| | Computer software | 12 419 | 20 862 |
| | Gross carrying amount | 82 257 | 82 289 |
| | Accumulated amortisation and impairment | (69 838) | (61 427) |
| | | 15 856 622 | 15 865 065 |
| | Reconciliation | | |
| | Enduring benefit: Lesotho Highlands | 15 844 203 | 15 844 203 |
| | Computer software | 12 419 | 20 861 |
| | Gross carrying amount at the beginning | 20 862 | 28 760 |
| | Additions | - | 432 |
| | Transfers | (73) | (60) |
| | Amortisation | (9 452) | (5 016) |
| | Impairment | 1 082 | (3 254) |
| | | 15 856 622 | 15 865 065 |
| | In terms of the Treaty between South Africa and the Lesotho Government, South Africa has a right to receive water in perpetuity and this right is capitalised as an enduring benefit. The enduring benefit is assessed annually for impairment. The assessment is based on any indicators that may impact the delivery of the water in terms of the agreement with the Lesotho Government. Based on the assessment performed, no impairment has been identified. | | |
| 16 | Payables from exchange transactions | | |
| | Current | | |
| | Financial liabilities at amortised cost | 1 040 504 | 1 170 190 |
| | Trade payables | 678 413 | 552 973 |
| | Accruals | 198 892 | 202 134 |
| | Amounts due to customers: trade debtors | 74 562 | 304 203 |
| | Gross amounts due to customers: construction contracts | 30 811 | 53 149 |
| | Other payables | - | 227 |
| | Non-financial liabilities | 3 699 | 7 790 |
| | Unclaimed deposits | 3 697 | 7 790 |
| | Advances received | 2 | - |
| | Accruals for goods and services | 198 029 | 198 723 |
| | Payroll related accruals | 844 | 3 390 |
| | Other accruals | 19 | 21 |
| | | 1 044 203 | 1 177 980 |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 17 | Employee benefits liability | | |
| | <i>Current obligations:</i> | | |
| | Leave benefits due | 109 014 | 115 878 |
| | Carrying amount at the beginning of the period | 115 878 | 100 505 |
| | Current service costs | 109 015 | 33 152 |
| | Less: benefits utilised | (115 878) | (17 779) |
| | Performance bonuses | 37 029 | 50 374 |
| | Carrying amount at the beginning of the period | 50 374 | 49 553 |
| | Current service costs | 37 029 | 39 477 |
| | Less: benefits utilised | (50 374) | (38 656) |
| | Service bonuses - 13th Cheque | 29 691 | 29 192 |
| | Carrying amount at the beginning of the period | 29 192 | 26 335 |
| | Current service costs | 29 691 | 65 396 |
| | Less: benefits utilised | (29 192) | (62 539) |
| | | 175 734 | 195 445 |
| 18 | Finance lease liability | | |
| | Current obligation | 16 095 | 36 826 |
| | Non-current obligation | 34 503 | 12 609 |
| | <i>Carrying amount at the end</i> | 50 598 | 49 435 |
| | <i>Reconciliation of the carrying amount:</i> | | |
| | Future minimum lease payments due: | 61 951 | 62 337 |
| | Later than 1 year but less than 5 years | 40 507 | 44 361 |
| | Less than 1 year | 21 444 | 17 976 |
| | Less: Future finance charges | (11 353) | (12 902) |
| | Present value of minimum lease payments | 50 598 | 49 435 |
| | The finance lease obligations consist of various leases. The incremental borrowing rate (effective interest) was determined based on the difference between the fair value of the asset and the future minimum lease payments. Where the fair value of the asset could not be determined, the incremental rate was based on the rate of similar instruments in the market and the fair value is assumed to estimate the present value of the minimum lease payments. The effective interest rates vary between 9% and 15%. The liability is secured by the leased assets disclosed in note 14. | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------|
| 19 | Financial liabilities: TCTA | | |
| | | 3 611 291 | 3 092 948 |
| | Current obligation | | |
| | | | |
| | Non-current obligation | 23 104 046 | 24 128 019 |
| | | | |
| | <i>Reconciliation</i> | | |
| | Carrying amount at the beginning of the period | 27 220 967 | 29 181 177 |
| | Additions | 4 067 915 | 2 663 293 |
| | Construction cost | 1 118 171 | 760 375 |
| | Interest accrued | 2 156 589 | 914 615 |
| | Facility and management fee | 793 155 | 988 303 |
| | Payments | (4 599 107) | (4 623 503) |
| | Other movements | 25 562 | |
| | | | |
| | <i>Financial liabilities at amortised cost</i> | 26 715 337 | 27 220 967 |
| | | | |
| | The liability represents the amounts owed to TCTA in accordance with various construction contracts for the development and maintenance of infrastructure assets. The effective interest rate varies per agreement and range between 4.76% and 8% p.a. | | |
| | | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|----|------------------------------------------------------------------------------|---------------|---------------|
| 20 | Net cash flows from operating activities | | |
| | Surplus for the year | 2 814 818 | 2 979 679 |
| | Adjusted for non-cash items | 5 837 583 | 4 430 271 |
| | Change in estimates of provisions | - | - |
| | Change in estimates of employee benefits | 175 734 | 138 025 |
| | Depreciation, amortisation and impairment | 2 076 561 | 1 782 517 |
| | Assets transferred at no cost | (320 727) | - |
| | Impairment on financial assets at amortised cost | 925 385 | 561 489 |
| | Interest accrued: TCTA | 2 156 589 | 914 615 |
| | Facility and management fee: TCTA | 793 155 | 988 303 |
| | Loss on disposal of fixed assets | 30 886 | 45 322 |
| | Additional cash items | (195 445) | (118 974) |
| | Provisions utilised | - | - |
| | Employee benefits utilised | (195 445) | (118 974) |
| | Operating cash flows before working capital changes | 8 456 957 | 7 290 976 |
| | Working capital changes: | (2 822 703) | (1 335 118) |
| | (Increase) in receivables from exchange transactions | (2 738 151) | (1 673 858) |
| | Decrease / (Increase) in inventories | 49 225 | (88 226) |
| | Decrease / (Increase) in payables from exchange transactions | (133 777) | 426 966 |
| | Net cash from operating activities | 5 634 254 | 5 955 858 |
| 21 | Budget information | | |
| | Reconciliation between budget deficit and statement of financial performance | | |
| | Budget deficit | 140 645 | (180 360) |
| | Project expenditure | 2 674 173 | 2 241 323 |
| | Surplus/(deficit) for the year per Statement of financial performance | 2 814 818 | 2 060 962 |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| 22 | Financial instruments | | |
| | | | |
| | Carrying amounts per category | | |
| | | | |
| | The total carrying values of the various categories of financial assets and financial liabilities at the reporting date are as follows: | | |
| | | | |
| | Financial assets at fair value | | |
| | Cash and cash equivalents | 1 545 868 | 1 924 896 |
| | Financial assets at amortised cost | | |
| | Receivables from exchange transactions | 5 541 261 | 3 623 870 |
| | | | |
| | Total financial assets | 7 087 129 | 5 548 766 |
| | | | |
| | Financial liabilities at amortised cost | 27 759 540 | 28 398 947 |
| | Payables from exchange transactions | 1 044 203 | 1 177 980 |
| | Other financial liabilities | 26 715 337 | 27 220 967 |
| | | | |
| | Total financial liabilities | 27 759 540 | 28 398 947 |
| | | | |
| | Net losses included in the statement of financial performance on amortised receivables | 925 385 | 561 489 |
| | | | |
| | Exposure to continuously changing market conditions has highlighted the importance of financial risk management as an element of control for the WTE. The WTE finances its operations primarily from cash receipts from customers and augmentation income received from the government. There are primarily two financial risks that the WTE faces namely credit and interest rate risk. | | |
| | | | |
| | Interest rate risk exposure | | |
| | | | |
| | The WTE has an obligation to settle the cost incurred by TCTA for the construction of infrastructure on its behalf. Due to the long term nature of these projects, the WTE is exposed to changes in the interest rates relating to these borrowings as the amounts to settle its obligation to the TCTA is dependent on the interest rates. The effective interest rate for the current period amounted to 8% (2014: 8%). Finance leases are discounted at the interest rates implicit in the lease and do not expose the WTE to any further risk as the rates are fixed for the term of the lease. The short term payables expose the WTE to a very limited risk of losses as a result of fluctuations in interest rates. The WTE endeavours to comply with the PFMA requirements to settle its debt within 30 days of receipt of an invoice. | | |
| | | | |
| | Credit risk exposure | | |
| | | | |
| | <i>Receivables and prepayments</i> | | |
| | | | |
| | Potential areas of credit risk consist of trade accounts receivable and cash investments. | | |
| | | | |
| | Accounts receivable consists mainly of government owned institutions and government owned entities. | | |
| | | | |
| | The WTE monitors the ageing of debtors on an ongoing basis and engages their customers where there is an indication of possible problems with regard to recovery from customers. Provision is made for specific bad debts and at the end of the financial year management did not consider there to be any material credit risk exposure that was not already covered by the impairment provision. | | |
| | | | |
| | <i>Cash and cash equivalents</i> | | |
| | | | |
| | Cash investments are investments made by the entity with the South African Reserve Bank and credit risk is considered to be acceptably low. Short-term deposits are held in the Corporation for Public Deposits (CPD) as required by the Treasury Regulations. | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | | 2015 R'000 | 2014 R'000 |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| | Maximum credit risk exposure | | |
| | Cash and cash equivalents | 1 545 763 | 1 924 806 |
| | Receivables | 5 541 261 | 3 623 870 |
| | | 7 087 024 | 5 548 676 |
| | % of total financial assets | 100.0% | 100.0% |
| | Liquidity risk | | |
| | The WTE is exposed to liquidity risk with regards to the amounts owed to contract creditors and sudden increases in pumping cost expenses. The WTE manages its liquidity risk by holding sufficient cash in its bank account, supplemented by cash available in short term deposits. | | |
| | Contractual maturities of non-derivative financial liabilities are: | | |
| | Due within 30 days | 716 109 | 1 080 419 |
| | Later than one month but not later than 12 months | 1 356 559 | 2 046 689 |
| | Later than one year but not later than 5 years | 10394 045 | 15 681 872 |
| | Later than 5 years | 15 519 161 | 23 414 320 |
| | The amounts to be paid within 30 days relate mainly to trade and other payables. Amounts due after 30 days include payments due to TCTA that are measured at amortised cost. These payments may vary for certain projects as they are based on actual water sales and are subject to change due to changes in the interest rates. TCTA has various loans with commercial banks that expose the WTE to liquidity risk. | | |
| 23 | Related party transactions | | |
| 23.1 | Related party relationships and control | | |
| | The WTE is controlled through the Department of Water Affairs at National Government level. | | |
| | As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties. | | |
| | Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management level and executive committee members are considered management. | | |
| 23.2 | Related party transactions and outstanding balances | | |
| 23.2.1 | <i>Department of Water & Sanitation</i> | | |
| | Revenue from non-exchange transactions | 2 399 258 | 2 085 265 |
| | The Water Trading Entity (WTE) operates within the Department and does not have its own Accounting Officer; its responsibilities are shared by different branches within the Department. | | |
| | The Department of Water and Sanitation incurred some operating expenditure on behalf of the WTE which include, but is not limited to, rent for office space, internal audit cost, IT cost and other administrative costs (including cost related to the business restructuring process). | | |
| | A reliable estimate cannot be made for these services rendered. | | |

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| | | 2015 R'000 | 2014 R'000 |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 23.2.2 | <i>Water Research Commission</i> | | |
| | Revenue from exchange transactions | 2 275 | 2 123 |
| | Outstanding balances (Receivables) | 25 328 | (44 513) |
| | WRL payment | 81 316 | 77 413 |
| | Water Research Commission and WTE both report to the Minister of Water and Sanitation. WTE performs the billing and collection of revenue on behalf of Water Research Commission (i.e. Agent-Principal Relationship). | | |
| 23.2.3 | <i>Trans-Caledon Tunnel Authority</i> | | |
| | The following transactions were carried out with TCTA: | | |
| | Construction activities | 1 118 171 | 760 375 |
| | Finance cost | 2 156 589 | 914 615 |
| | Management and facility fees | 793 155 | 988 303 |
| | Outstanding balances - amount due to TCTA | 26 715 337 | 27 220 967 |
| | Prepayment in terms of construction contract | 996 014 | 801 446 |
| | TCTA is constructing assets on behalf of the WTE on a full cost recovery basis. | | |
| 23.2.4 | <i>Eskom</i> | | |
| | The following disclosable items were carried out with Eskom: | | |
| | Revenue | 1 014 600 | 809 754 |
| | Outstanding balances | 87 443 | 89 997 |
| | Payment for electricity | 345 312 | 514 679 |
| | The amounts billed for the above revenue received from Eskom is based on the actual operations and maintenance cost incurred and not the budgeted operations and maintenance cost included in the water tariffs applicable to other users. | | |
| 23.2.5 | <i>Rand Water</i> | | |
| | The following disclosable items were carried out with Rand Water: | | |
| | Sale of water services | | |
| | Revenue | 3 723 361 | 3 437 232 |
| | Finance revenue (discounting) | 27 925 | 24 644 |
| | Gross amount billed | 3 751 286 | 3 461 877 |
| | Outstanding balances | 736 508 | 622 312 |
| | Gross amount due | 742 074 | 626 774 |
| | Less: Effect of discounting | (5 566) | (4 462) |
| | Project cost payment | 115 570 | 160 796 |
| | Rand Water (a Water Board) and WTE both report to the Minister of Water and Sanitation. Rand Water receives 60 days to pay for water related services instead of the normal 30 days. | | |

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| | | 2015 R'000 | 2014 R'000 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 23.2.6 | Inkomati Catchment Management Agency | | |
| | The following disclosable items were carried out with Inkomati Catchment Management Agency: | | |
| | Water Management area revenue collected and paid | 57 121 | 12 357 |
| | Inkomati Catchment Management Agency and WTE both report to the Minister of Water and Sanitation. WTE performs the billing and collection of revenue on behalf of Inkomati Catchment Management Agency (i.e. Agent-Principal Relationship). | | |
| 23.2.7 | Entities under control of the Minister of Water and Sanitation | | |
| | The following Water Boards and Agency are under the common control of the Minister of Water and Sanitation. WTE bills the Water Boards under arm's length transactions in order to recover water infrastructure related charges: | | |
| | <ul style="list-style-type: none"> • Amatola Water Board • Bloem Water Board • Botshelo Water Board • Bushbuckridge Water Board • Lepelle Northern Water Board • Magalies Water Board • Mhlathuze Water Board • Overberg Water Board • Rand Water Board • Umgeni Water Board • Sedibeng Water Board • Pella Drift Water Board • Breede-Overberg Catchment Management Agency (BOCMA) | | |
| | Komati Basin Water Authority (KOBWA) - is managed by the treaty between the South African Government and the Swaziland Government. The treaty resulted in KOBWA constructing Maguga and Driekoppies Dam. WTE owns Driekoppies Dam which was build through the finances raised by KOBWA on behalf of DWA. | | |
| 23.3 | Key management personnel remuneration | | |
| | Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. Individuals on top management level and executive committee members are considered management. | | |

| | | 2015 R'000 | 2014 R'000 |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 24 | Capital commitments | | |
| | Commitments for the acquisition of property, plant and equipment that is contracted for but not provided for in the financial statements. | 908 312 | 955 206 |
| | | | |
| | The amounts disclosed above for capital commitments exclude VAT. | | |
| | | | |
| 25 | Operating lease commitments | | |
| | The Water Trading Entity leases various residential buildings, Office Spaces and one piece of Land under operating lease agreements and instalments are payable monthly in advance. The instalments are payable over periods varying between 12 and 24 months. The entity is sub-letting these residential buildings to its various employees at a monthly rental. | | |
| | The future minimum lease rentals to be paid under non-cancellable and cancellable operating lease contracts as at 31 March 2015 are as follows: | | |
| | | | |
| | Residential Buildings | 12 585 | 11 593 |
| | Due within 1 year | 12 280 | 11 255 |
| | Due later than 1 year but less than 5 years | 305 | 338 |
| | | | |
| | Office administration Buildings | 79 | 948 |
| | Due within 1 year | 79 | 895 |
| | Due later than 1 year but less than 5 years | - | 53 |
| | | | |
| | Land | 171 | 472 |
| | Due within 1 year | 141 | 472 |
| | Due later than 1 year but less than 5 years | 30 | - |
| | | | |
| | Total minimum lease payments | 12 836 | 13 013 |
| | | | |

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| | | 2015 R'000 | 2014 R'000 |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 26 | Contingent liabilities | | |
| 26.1 | Claims against the State | | |
| | Legal claims | | |
| | Group Five Construction (Pty) Ltd vs. Minister of Water Affairs and Forestry | 54 670 | 54 670 |
| | Rodio Geotechnics (Pty) Ltd vs. The Minister of Water and Environmental Affairs | 500 | 500 |
| | Thabani Zulu and Company (Pty) Ltd vs. Minister of Water Affairs | 2 220 | 2 220 |
| | JJ Schutte vs. The Minister of Water Affairs and Forestry | 1 100 | 1 100 |
| | Thsiswaise Lufuno vs. Department of Water and Sanitation | 10 000 | - |
| | WJ Scheepers vs. DWA | 2 124 | - |
| | Landekamp Boerderij vs. DWA | 2 703 | - |
| | FM Du Plessis vs. DWA | 1 322 | - |
| | Neethling N. O. and Others vs. Department of Water and Sanitation | 16 647 | - |
| | Kwinana & Associates vs DWS | 1 158 | - |
| | S H Mkansi vs. Department of Water and Sanitation | 1 767 | - |
| | | | - |
| | Other claims against the state | 3 380 | 1 770 |
| | | 97 591 | 60 260 |
| | | | |
| | Should the WTE not be successful in defending the above cases, the maximum financial exposure amounts to R97,591 million excluding interest of approximately R15,127 million at 15.5%. | | |
| | | | |
| | | 2015 R'000 | 2014 R'000 |
| 26.2 | Guarantees | | |
| | The WTE has issued guarantees in favour of various financial institutions to support employees to obtain loans for housing. To date the WTE has not been called to honour any of these obligations. No loss is expected to materialise in respect of these guarantees in the foreseeable future. | 109 | 109 |
| 27 | Contingent Assets | | |
| | Legal claims | | |
| | Department of Water Affairs and Forestry vs. A.P.S. South Africa (Pty) Ltd | 178 231 | 178 231 |
| | The Minister of Water and Environmental Affairs vs. Flowtite Vectus (PTY) Ltd | 697 101 | 697 101 |
| | Department of Water vs. T- Systems South Africa (Pty) Ltd and Mr. Bokhutlo Senokwane | 2 843 | 2 843 |
| | SARS VAT refund | - | 164 268 |
| | Department of Water and Sanitation vs. Metric Industrial Supplies CC | 30 000 | - |
| | Department of Water and Sanitation vs. EVN Consulting (Pty) Ltd | 100 000 | |
| | | 1 008 175 | 1 042 443 |
| | | | |
| | The WTE have legal claims against several companies of which the outcome is still uncertain. | | |

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| | | 2015 R'000 | 2014 R'000 |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| 27.1 | Department of Water Affairs and Forestry vs. A.P.S. South Africa (Pty) Ltd - breach of contract due to delivery of defective supplies. | | |
| 27.2 | The Minister of Water and Environmental Affairs vs. Flowtite Vectus (PTY) Ltd - breach of contract due to delivery of defective supplies. | | |
| 27.3 | Department of Water vs. T- Systems South Africa (Pty) Ltd and Mr. Bokhutlo Senokwane - relates to fraud committed by Mr. Bokhutlo Senokwane against the Department whilst under the employment of T-Systems. | | |
| 27.4 | The VAT refund asset disclosed hereunder was calculated as a result of a review and re-performance of past years VAT reconciliations in response to a VAT audit from SARS. This calculation exercise resulted in WTE laying an objection with SARS. | | |
| 27.5 | Department issued summons arising from fraudulent invoices in which the Dependant was paid money for services it did not render. | | |
| 27.6 | The Department issued summons against EVN Consulting (Pty) Ltd for professional negligence as a result of them failing to supervise the installation and backfilling of the Dwarsloop- Acornhoek Pipeline. | | |
| 27.7 | The Department issued summons against Bodust Trading Enterprises CC resulting from a payment erroneously made to the later CC's bank accounts instead of Bodust Trading Enterprises 11 CC regarding the services rendered to the department. | | |

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| March 2015 R'000 | Performance related payments | Other short term employee benefits | Post employment benefits | Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------|--------------------------------|---------------|
| Ms Mathe ZY - Deputy Director General | - | 432 | 94 | 1 252 |
| Mr Keet M - Chief Director | - | - | - | - |
| Mr Smith FJ - Chief Director | - | 280 | 122 | 1 338 |
| Mr Swart HJ-Construction Manager | 122 | 274 | 119 | 1 431 |
| Mr Van der Westhuizen WG - Chief Director | 29 | 209 | 849 | 1 786 |
| Mr Mofokeng MJ- Chief Financial Officer | - | 410 | 94 | 1 225 |
| Mr Madondo PJ - Chief Director | - | - | - | - |
| Mr Manus LAV - Chief Director | - | 323 | 78 | 1 003 |
| Mr Williams MR- Chief Director | - | 199 | 234 | 943 |
| Mr Mudau TN - Chief Director | 45 | 334 | 78 | 1 055 |
| Mr Nel P - Chief Director | - | 197 | 90 | 979 |
| Mrs Nkomo RM - Chief Director | - | 186 | 90 | 968 |
| Mrs Mkhabela GV - Chief Director | - | 186 | 75 | 837 |
| | 196 | 3 028 | 1 923 | 12 816 |
| March 2014 R'000 | Performance related payments | Other short term employee benefits | Post employment benefits | Total |
| Ms Mathe ZY - Deputy Director General | | 486 | 153 | 1 304 |
| Mr Keet M - Chief Director | | 261 | 109 | 1 024 |
| Mr Smith FJ - Chief Director | | 320 | 224 | 1 387 |
| Mr Swart HJ-Construction Manager | 63 | 262 | 150 | 1 327 |
| Mr Van der Westhuizen WG - Chief Director | | 346 | 150 | 1 348 |
| Mr Mofokeng MJ- Chief Financial Officer | | 315 | 180 | 1 177 |
| Mr Madondo PJ - Chief Director | | 39 | 13 | 108 |
| Mr Manus LAV - Chief Director | | 363 | 78 | 999 |
| Mr Williams MR- Chief Director | | 97 | 40 | 410 |
| | 63 | 2 489 | 1 096 | 9 085 |
| Key management personnel remunerated through Department of Water & Sanitation - Main account | | | | |
| The following officials are also considered to be key management personnel. These officials are paid by the Department of Water & Sanitation - Main account. | | | | |
| | | | | |
| Official | Position | | | |
| Ms Diedricks M | Director General | | | |

| | | Note | 2015 R'000 | 2014 R'000 |
|-------------|---------------------------------------------------------------------|-------|----------------|----------------|
| | | | | |
| 28 | Irregular expenditure | | | |
| | | | | |
| 28.1 | Reconciliation | | | |
| | Opening balance | | 653 753 | 688 002 |
| | Add: Irregular expenditure - current year | 28.2. | 4 151 | 30 323 |
| | Add: Irregular expenditure - prior year | 28.3 | - | - |
| | Less: Amounts condoned | 28.3 | (2 580) | (64 572) |
| | | | 655 324 | 653 753 |
| | Less: Amounts recoverable (not condoned) | | - | - |
| | Less: Amounts not recoverable (not condoned) | | - | - |
| | Irregular expenditure awaiting condonation | | 655 324 | 653 753 |
| | | | | |
| | Analysis of expenditure awaiting condonation per age classification | | | |
| | Current year | | 4 151 | 28 202 |
| | Prior years | | 651 173 | 625 551 |
| | Total | | 655 324 | 653 753 |

PART E: WTE FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | Incident | Disciplinary steps taken/ criminal proceedings | 2015 R'000 | 2014 R'000 |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------|------------|
| 28.2 | Details of Irregular Expenditure | | | |
| | Procurement of goods and services was deliberately split into parts or items of smaller value merely to avoid complying with the requirements of the SCM policy and legislation | Matter referred to the Financial Misconduct Advisory Committee | 118 | - |
| | The final decision on the acceptance of quotations was not done by a properly delegated official or committee. | Matter referred to the Financial Misconduct Advisory Committee | 270 | - |
| | Goods or services of a transaction value of more than R2000 were procured without inviting at least three written price quotations from prospective suppliers and the deviation was not approved by delegated person. | Matter referred to the Financial Misconduct Advisory Committee | 549 | - |
| | Deviations from competitive bidding were approved on the basis of the goods and services only being produced by, or available from, a sole service supplier even though other suitable suppliers were available on the market. | Matter referred to the Financial Misconduct Advisory Committee | 30 | - |
| | Correct SCM processes and procedures not adhered to. Payment may only be made in terms of a valid contract to a duly authorised payee. Incorrect authorisation of transactions (delegations not complied with). | Matter referred to the Financial Misconduct Advisory Committee | 1 392 | - |
| | Expenditure exceeding original excess of the approved contract or quoted amount or no contract in place | Matter referred to the Financial Misconduct Advisory Committee | 122 | - |
| | Lowest quotation not selected and no motivation provided | Matter referred to the Financial Misconduct Advisory Committee | 100 | - |
| | Contracts awarded without original tax clearance certificates or tax clearance certificates expired | Matter referred to the Financial Misconduct Advisory Committee | 135 | - |
| | The method of procurement is inconsistent with those prescribed in terms of PN 8 of 2007/2008. Goods or services of a transaction value of R10 000 to R500 000 were procured without inviting at least three written price quotations from prospective suppliers and the deviation was not approved by delegated person. | Matter referred to the Financial Misconduct Advisory Committee | 239 | - |
| | Goods and Service were rendered by the supplier and paid for without a valid written signed contract | Matter referred to the Financial Misconduct Advisory Committee | - | 2 082 |
| | Goods and services with a transaction value above R500 000 were not procured by means of a competitive bidding process and the deviation was not approved by the accounting officer or his delegate in accordance with the SCM policy. | Matter referred to the Financial Misconduct Advisory Committee | - | 6 551 |
| | IT goods and services of a transaction value of below R500 000 were procured through quotations from suppliers who are not registered on the SITA list of prospective suppliers. | Matter referred to the Financial Misconduct Advisory Committee | - | 85 |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| Incident | Disciplinary steps taken/ criminal proceedings | 2015 R'000 | 2014 R'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|--------------|---------------|
| Procurement of goods and services was deliberately split into parts or items of smaller value merely to avoid complying with the requirements of the SCM policy and legislation. | Matter referred to the Financial Misconduct Advisory Committee | - | 394 |
| Goods or services of a transaction value of more than R2 000 to R30 000 were procured without inviting at least three written price quotations from prospective suppliers and the deviation was not approved by delegated person. | Matter referred to the Financial Misconduct Advisory Committee | - | 393 |
| Deviations from competitive bidding were approved on the basis of the goods and services only being produced by, or available from, a sole service supplier even though other suitable suppliers were available on the market. | Matter referred to the Financial Misconduct Advisory Committee | - | 283 |
| The final decision on the acceptance of quotations was not done by a properly delegated official or committee. | Matter referred to the Financial Misconduct Advisory Committee | - | 33 |
| Expenditure exceeding original excess of the approved contract or quoted amount or no contract in place | Matter referred to the Financial Misconduct Advisory Committee | - | 2 187 |
| Correct SCM processes and procedures not adhered to | Matter referred to the Financial Misconduct Advisory Committee | - | 1 100 |
| Contract extended without proper delegation | Matter referred to the Financial Misconduct Advisory Committee | - | 128 |
| Services rendered without an existing SITA Service Level Agreement | Matter referred to the Financial Misconduct Advisory Committee | - | 728 |
| | | 2 954 | 13 963 |
| | | | |

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ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | Incident | Disciplinary steps taken/ criminal proceedings | 2015 R'000 | 2014 R'000 |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------|---------------|
| 28.3 | Details of Irregular Expenditure condoned | | | |
| | Failure to obtain three written quotations for the procurement of goods and services | Director-General | - | 7 868 |
| | Expenditure exceeding original contract amount / or no contract in place | Director-General | - | 3 407 |
| | Use of transversal contract illegally | Director-General | - | 44 851 |
| | Procurement of goods and services without following the proper SCM procedures | Director-General | - | 3 643 |
| | Request for ex post facto approval | Director-General | - | 3 116 |
| | Splitting of orders to circumvent SCM policies and procedures | Director-General | - | 1 687 |
| | Non-compliance with Treasury Regulation for the procurement in excess of R500 000,00 | Director-General | 2 580 | - |
| | | | 2 580 | 64 572 |
| | Possible collusive bidding that may result in irregular expenditure: During the current year under review, the Auditor General in the course of the conduct of its audit procedures identified that the Water Trading Entity awarded a tender in which three bidders may possibly have colluded . between them. The tender required a service for the supply and delivery of steel pipes, special fittings and valves for an 800mm and 700mm Diameter Gravity Pipeline between Mowkop and Valdezia in the Limpopo Province The tender was awarded to the winning bidder for an amount of R90 065 245. 00. The Auditor General raised in the main the following concerns based on their findings of the bid awarded. Firstly, that the total bid prices quoted by the three bidders were remarkably within close range of each other. Secondly, that two of the unsuccessful bidders became sub-contractors to the winning bidder. The auditor General measured its second finding against the requirement that no firm can be a sub-contractor while submitting a tender individually or as a partner of a joint venture in the same tendering process. The Auditor General commented under its Impact as well as the Internal Control Deficiency notes to the finding that the bid award could result in irregular expenditure and price inflation. Subsequent to protracted discussions between WTE Management and the Auditor General, the consensus reached on the matter, was that the bid award would be subjected to a detailed investigation during the upcoming 2015/2016 financial year. Based on the results of the investigation, an additional legal opinion will be obtained on the matter as to what the WTE's recourse will be, and as to whether or not the matter should be referred to the Competition Commission for further investigation. In conclusion, a decision was taken to therefore not recognise any irregular expenditure in the notes to the financial statements until the results investigation are finalised. | | | |

PART E: WTE FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| | Incident | Disciplinary steps taken/ criminal proceedings | 2015 R'000 | 2014 R'000 |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------|------------|
| 29 | Fruitless and Wasteful Expenditure | | | |
| | Interest expenditure incurred on overdue accounts paid to Eskom, municipalities, etc. | Matter referred to the Financial Misconduct Advisory Committee | 581 | 3 |
| | Deviation from the scope of contract without approval - Change from mechanical gates to design and construction drawings for Piano Key Weir | Matter referred to the Financial Misconduct Advisory Committee | | 17 928 |
| | Legal Services cost incurred due to case lost on appeal at High Court - The DWA lost its appeal on 27/06/2013. The High Court by its ruling took the position of DBAC awarded the tender to specification. This ruling also opened the validity period. | Matter referred to the Financial Misconduct Advisory Committee | | 895 |
| | Official failed to notify Travel Administrators for cancellation of booking. | Matter referred to the Financial Misconduct Advisory Committee | | 2 |
| | | | 581 | 18 828 |
| 30 | Prior year adjustments | | | |
| | During the year the WTE has discovered various omissions that relate to prior years. These omissions represent prior period accounting errors which must be accounted for retrospectively in the WTE Annual financial statements (AFS) for the year that ended 31 March 2015. As a result of these errors The Water Trading Entity has adjusted all comparative amounts presented in the current period's financial statements affected by these accounting errors. | | | |
| | The prior errors mainly relate to the following items: | | | |
| | Depreciation, amortisation and impairment - attributed mainly due to formula error emanating from 2012/13 financial year as well as revised useful lives | | | |
| | Employee benefit costs - for payments made in 2014/15 in relation to 2013/14 activities not accrued for. | | | |
| | Finance cost - due to the impact in the TCTA liability's effective interest rate | | | |
| | Operating expenditure for payments made in 2014/15 in relation to 2013/14 activities not accrued for. | | | |
| | Revenue from exchange transactions and Revenue from non-exchange transactions - reclassification of Penalties imposed (non-exchange revenue) to Administration costs (Exchange revenue) | | | |
| | Finance leases - attributed to lease assets take-on | | | |

PART E: WTE FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE WATER TRADING ENTITY

| Incident | Disciplinary steps taken/ criminal proceedings | 2015 R'000 | 2014 R'000 |
|---------------------------------------------------------------------------------------|------------------------------------------------|---------------|---------------|
| The impact of these errors is summarised below and the details are as follows: | | | |
| | | | |
| Increase/(Decrease) in assets | | 1 767 863 | 287 078 |
| (Increase)/Decrease in liabilities | | (851 919) | 2 264 543 |
| Increase/((Decrease) in net assets | | 915 944 | 2 551 621 |
| | | | |
| Represented by: | | | |
| <i>Increase/(decrease) in accumulated surplus:</i> | | | |
| Increase in revenue | | (212 625) | (1 069 364) |
| Decrease in expenses | | (703 319) | (1 482 256) |
| Effect on surplus/deficit | | (915 944) | (2 551 621) |
| Effect on opening reserves | | (2 416 506) | 135 115 |
| | | (3 332 449) | (2 416 506) |

| | 2014 R'000 | 2013 R'000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| 30.1 The following is the summary of corrections made in prior years to correct errors discovered to ensure completeness and accuracy: | | |
| | | |
| Cash and cash equivalents | 539 | - |
| Finance lease liability: current | (29 705) | - |
| Finance lease liability: non-current | 4 613 | - |
| Intangible assets | (3 253) | (45) |
| Inventory | - | - |
| Other financial liabilities: current | 614 239 | (90 974) |
| Other financial liabilities: non-current | (1 156 764) | 2 354 191 |
| Payables from exchange transactions: current | (284 302) | 1 326 |
| Property, plant and equipment | 1 685 567 | 796 595 |
| Receivables from exchange transactions current | 85 010 | (509 472) |
| | 915 944 | 2 551 621 |
| | | |
| Depreciation, amortisation and impairment | (1 190 503) | (1 091 874) |
| Employee benefit costs | 188 | - |
| Finance cost | 418 198 | (1 451 728) |
| Operating expenditure | 39 187 | (186 799) |
| Revenue from exchange transactions | 29 612 | 1 248 144 |
| Revenue from non-exchange transactions | (212 625) | 1 069 364) |
| | (915 944) | (2 551 621) |
| | | |
| Effect on opening reserves | (2 416 506) | 135 115 |
| | (3 332 449) | (2 416 506) |

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