



Department of Local Government

# Annual Report 2002 2003

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The Department cannot be held liable for any misinterpretations that may have occurred during the translation process.

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Die Departement aanvaar geen verantwoordelikheid vir moontlike wanvertolkings gedurende die vertalingsproses nie.

### **IPHEPHA ELILANDULAYO**

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# FOREWORD

It has indeed been a challenge to lead the brand new Department of Local Government in such interesting and challenging times.

We are proud of our achievements to date, but it only represents the beginning of a process to embark on the journey to proper fulfilment of our constitutional mandate.

In our quest to have successful municipalities in the Western Cape, two factors are key:-

- Good relations with our municipalities, and
- A pro-active approach.

I look forward to building on the good relationships that already exist and the challenge to build a department capable of playing a pro-active leadership role.



CO DU PREEZ  
ACCOUNTING OFFICER: LOCAL GOVERNMENT

29 August 2003



# CONTENTS

## **PART 1**

### GENERAL INFORMATION

page 6

## **PART 2**

### PROGRAMME PERFORMANCE

page 11

## **PART 3**

### REPORT OF THE AUDIT COMMITTEE

page 42

## **PART 4**

### ANNUAL FINANCIAL STATEMENTS

page 44

## **PART 5**

### HUMAN RESOURCE MANAGEMENT

page 90

# *PART ONE*

## *General Information*

### **1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY**

**MINISTER JJ DOWRY**  
**MINISTER OF LOCAL GOVERNMENT**

In accordance with section 40(1)(d) of the Public Finance Management Act, 1999, the Public Service Act, 1994, the National Treasury Regulations and the Public Service Regulations, I hereby submit the Department of Local Government's Annual Report on financial statements, performance indicators and departmental activities for the 2002/03 financial year.

Due to the departmentalisation of 1 August 2002, the financial reporting covers the period 1 August 2002 to 31 March 2003, while performance reporting with regard to line function activities covers the entire financial year.

Please note that in terms of section 65(1)(a) of the Public Finance Management Act, 1999 you are required to table the report in the Provincial Parliament by 31 August 2003. It is, however, important to note that in terms of section 65(2)(a) of the Public Finance Management Act, 1999, you are required to provide a written explanation to the Provincial Parliament if you are unable to table the report within six months of the end of the relevant financial year, i.e. by 30 September 2003.



**CO DU PREEZ**  
**ACCOUNTING OFFICER**

**29 August 2003**

## **1.2 INTRODUCTION BY THE HEAD OF THE DEPARTMENT**

The Department is responsible for the monitoring, supporting and regulating of local government in the Western Cape to further effective local government.

For the first part of the financial year until 31 July 2002, the Chief Directorate Local Government formed part of the now defunct Department of Planning, Local Government and Housing. A new Department of Local Government was formed on 1 August 2002 and the Department consists of three line function components, viz the directorates of Local Government Legislation and Administration, Local Government Development and Local Government Finance. For the period under review the Department had two Ministers; Minister W Doman from 1 April 2002 to 2 September 2002 and Minister JJ Dowry from 3 September to 31 March 2003, to whom it was accountable.

The now Department of Housing rendered an agency service to the Department in respect of the departmental finance and human resource functions.

The transformation of local government as provided for in national legislation formed a large part of the agenda during 2002/03. The department played an important facilitating and supporting role through interpretation, advice and the distribution of guiding documents and draft policies. Formal liaison structures played a very important role in this process. The Provincial Advisory Forum (political) and the supporting technical structure were fully utilised for this purpose. Transformation questionnaires served as a useful tool to keep up to speed and plan support initiatives.

Developmental local government was promoted through a training programme which was developed and presented with the co-operation of the School of Public and Development Management at the University of Stellenbosch. Thirty-five officials of municipalities attended this programme. The use of the main tool for developmental local government, namely the Integrated Development Plan (IDP), was promoted through continued technical and financial support. All IDP's were completed, and this placed the Western Cape in the forefront as far as performance in this field goes.

Co-ordination of the Integrated Sustainable Rural Development Programme (ISRDP) (Central Karoo as a node) and the Urban Renewal Programme (URP), with Khayelitsha and Mitchell's Plain as nodes, on behalf of the national department of Provincial and Local Government, became the responsibility of this department as mandated by the provincial Cabinet. A new political champion for these endeavours in the Province; the new Premier, also came on board during the year. The ISRDP node kicked off with 16 anchor projects funded to the tune of R42,9 million. During July, two anchor projects were identified for the URP nodes, namely the development of the central business districts of Khayelitsha and Mitchell's Plain, respectively.

A training initiative for 28 senior municipal officials with regard to administrative law, project management and diversity management in co-operation with the Cape Administrative Academy was a huge success. Other training initiatives focused on provision of infrastructure and financial management.

The long-standing dilemma with the future of Karatara and environs received a lot of attention and a deal was brokered by the department whereby the Knysna municipality took responsibility for service delivery. This augers well for the future.

The viability of municipalities was monitored on an ongoing basis and in this respect four reports were submitted to the Minister of Local Government. Eleven management support programmes were implemented at municipalities in distress; with very positive results.

In the interest of legislative clarity at both the provincial and local spheres of government, and to give full effect to the constitutional mandate of the Province, the basis for provincial legislation was laid by way of comprehensive constitutional research by constitutional experts. The Determination of Types of Municipalities Act, 2000 was amended by the Provincial Parliament so as to include the executive mayoral system. A potential crisis with the possible invalidity of the Western Cape Valuation Ordinance, 1993, was averted through co-operation with the City of Cape Town and the national Department of Provincial and Local Government and the subsequent amendment of the Local Government Municipal Structures Act, 1998. Inputs were made towards various drafts of national legislation not only in writing but also by means of active participation in the relevant provincial and national portfolio committees.

On disaster management the Universities of the Free State and Cape Town were appointed to do a risk and vulnerability assessment in the Province to identify high-risk areas. Financial support to the value of R1,7 million was given to the City of Cape Town for the period from December 2002 to March 2003 to keep a fire-fighting helicopter on standby during the summer.

A computer based management support system was developed and rolled out at all municipalities to enhance disaster management in the field. In addition, financial support was provided to four municipalities to finance nine fire-fighting trolleys for informal settlements as part of a co-operation agreement with a municipality in Bavaria, Germany. This is a pilot to test the viability of this type of approach.

The Consolidated Municipal Infrastructure Programme (CMIP) was implemented with great success in the year under review. A total amount of R134 million was utilised up to 31 March 2003. Counter funding to the value of R52 million by municipalities represents the highest figure achieved by any province in the country.

### **1.3 INFORMATION ON THE MINISTRY**

Mr Cobus Dowry, Minister for Local Government replaced Mr Willem Doman on 3 September 2002 and the ministry experienced a very smooth transfer of power with no interruption of work.

Three principles in the Constitution determine the relationship between the national, provincial and local spheres of government, namely distinctiveness, interdependence and interrelatedness and from this the department derives its role to regulate, support, monitor and co-ordinate the 30 municipalities in the Western Cape.

Under the new coalition government the Department of Local Government is now functioning as an independent and equal entity in the province with the vision of a future in which all municipalities are successful and sustainable in delivering basic services to their respective communities and developing the social and economic foundation of those they serve.

Municipalities have gone through a period of instability when councillors crossed the floor in



October 2002. The return of stability has been the priority of the provincial Minister and official visits to most of the municipalities have been undertaken in this year to meet with councils and senior management.

The process to start with the implementation of the Executive Mayoral system with participatory wards for all municipalities in the Western Cape was a major political decision and was dependent on amendments to the Municipal Structures Act, which will only be published, in the next financial year. In the interim, the Establishment Notices of municipalities were amended in December 2002 to allow municipalities to appoint full-time councillors.

The Ministry could not ignore the allegations regarding the existence of a mass grave in Laingsburg resultant from the flood of 25 January 1981. It was therefore necessary to investigate the substance of these rumours and the investigation is ongoing.

Stability, which is returning to local government, was one of the priorities of the ministry. Service delivery – including free basic services to the indigent, will now require the urgent attention of municipalities.

## **1.4 VISION STATEMENT**

Stable local government and well-governed municipalities

## **1.5 MISSION STATEMENT**

To promote effective local government

## **1.6 STRATEGIC GOAL**

To promote, co-ordinate and monitor the establishment, development and regulation of effective, efficient, transparent and sustainable local government.

## **1.7 STRATEGIC OBJECTIVES**

- The drafting of a provincial law to give substance to Province's constitutional obligation to monitor and support local government.
- To develop local government in the Province against the requirements of the new series of local government legislation.
- To support municipalities to achieve and maintain sound financial management.
- To ensure that all complaints and queries from ratepayers and alleged irregularities with regard to municipalities are dealt with in a responsible and swift manner.
- To do capacity building in terms of the Consolidated Municipal Infrastructure Programme (CMIP).

## **1.8 VALUES**

The supporting philosophy in the pursuance of our mission is vested in the following values:

- Honesty
- Fairness
- Dedication
- Diligence

- Discipline
- Efficiency
- Transparency
- Accountability
- Responsibility
- Professionalism

## **1.9 LEGISLATIVE MANDATE**

- Basic Conditions of Employment Act, 1997 (Act 75 of 1997)
- Civil Protection Act, 1977 (Act 67 of 1977)
- Civil Protection Ordinance, 1977 (Ordinance 8 of 1977)
- Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)
- Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)
- Constitution of the Western Cape, 1 of 1998
- Determination of Types of Municipalities Act, 2000
- Disaster Management Act, 2002 (Act 57 of 2002)
- Division of Revenue Act, 2002
- Employment Equity Act, 1998 (Act 55 of 1998)
- Fire Brigade Services Act, 1987 (Act 99 of 1987)
- Labour Relations Act, 1995 (Act 66 of 1995)
- Local Authorities (Audit) Ordinance, 1938 (Ordinance 17 of 1938)
- Local Authorities (Investment of funds) Ordinance, 1935 (Ordinance 23 of 1935)
- Local Government Demarcation Act, 1998 (Act 27 of 1998)
- Local Government Transition Act, 1993 (Act 209 of 1993)
- Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
- Municipal Ordinance, 1974 (Ordinance 20 of 1974)
- National Archives of South Africa Act, 1996 (Act 43 of 1996)
- Occupational Health and Safety Act, 1993 (Act 85 of 1993)
- Promotion of Access to Information Act, 2000 (Act 2 of 2000)
- Property Valuation Ordinance, 1993 (Ordinance 14 of 1993)
- Protected Disclosures Act, 2000 (Act 26 of 2000)
- Public Finance Management Act, 1999 (Act 1 of 1999) (as amended by Act 29 of 1999) and the National Treasury Regulations
- Public Service Act, 1994 (Act 103 of 1994) and Public Service Regulations of 2000
- Regional Services Councils Act, 1985 (Act 109 of 1985)
- Rural Areas Act, 1987 (Act 9 of 1987)
- Skills Development Act, 1998 (Act 97 of 1998)
- Skills Levy Act, 1999 (Act 90 of 1999)
- Tobacco Products Control Amendment Act, 1999 (Act 12 of 1999)
- Transformation of Certain Rural Areas Act, 1998 (Act 9 of 1998)
- Valuation Ordinance, 1944 (Ordinance 26 of 1944)

# *PART TWO*

## *Programme Performance*

### VOTE 12: LOCAL GOVERNMENT

<b>Voted Funds</b>	<b>R55 590 000</b>
Responsible Minister	Provincial Minister of Local Government
Administering Department	Department of Local Government
Accounting Officer	Head of Department of Local Government

#### **AIM OF THE VOTE:**

The aim of the Vote is to promote, co-ordinate and monitor the establishment, development and regulation of effective, efficient, transparent and sustainable local government.

#### **2.1 Overview of the service delivery environment in 2002/03**

The major external factor that impacted on the Department's performance was the political instability, which prevailed in the Provincial and Local Government spheres.

#### **2.2 Overview of the organisational environment in 2002/03**

The single most important development, which impacted on the performance of the Department, was the creation of a separate independent Department of Local Government and the resultant crucial lack of own support services.

#### **2.3 Overview of the key policy developments in 2002/03**

The following key policy developments had to be contended with:

- Property rates
- Municipal finance management
- Disaster management
- Municipal support
- Free basic services
- Municipal infrastructure
- Full time councillor system
- Executive mayoral and ward participatory system
- Intergovernmental planning

#### **2.4 Progress in the realisation of the department's strategic goals and objectives**

##### **2.4.1 Strategic goal:**

"To promote, co-ordinate and monitor the establishment, development and regulation of effective, efficient, transparent and sustainable local government."

During the period under review the Department in co-operation with individual municipalities and organized local government (WECLOGO) and the national Department of Provincial and

Local Government succeeded in implementing various policies, ie free basic services, support programmes (CMIP, Management support), monitoring programmes (Project Viability, transformation questionnaires, Auditor-general), which contributed positively towards ensuring that all municipalities in the Western Cape at least rendered services at a generally acceptable standard. However, to reach the ultimate goal of successful municipalities there is still quite a journey to complete.

#### 2.4.2 Strategic objectives:

- The drafting of a provincial law to give substance to Province's constitutional obligation to monitor and support local government.

In the period under review slow progress was made in achieving this particular objective. The lack of political direction was a particularly telling factor in this regard. However, in the latter part of the year, legal consultants were appointed to design a framework and to give content to a Bill within that framework.

- To develop local government in the Province against the requirements of the new series of local government legislation.

This objective has been achieved to its fullest possible extent with the exclusion of the allocation of the big four functions (water, electricity, sewerage and health) which is the prerogative of the national Minister. These issues are complex and have huge financial implications and will not be resolved overnight. In the meanwhile this Department continued supporting and encouraging municipalities to keep the tempo of transformation (systems, processes, human resources, finance) at an acceptable pace.

- To support municipalities to achieve and maintain sound financial management.

This is and will always remain a tough nut to crack. As with private households, some municipalities manage their funds better than other municipalities. As with private households some municipalities are thriftier than others. During the period under review it can be reported that there had been no bankruptcies. Having said the afore-mentioned, it was necessary to give robust support to the following municipalities:

- Breede Valley
- Witzenberg
- Beaufort West
- Kannaland

The result of this assistance has been positive and the turnaround of Breede Valley municipality has been particularly dramatic, but a patient can only recover from a successful operation if there is the will to do so. In general terms most municipalities in the Western Cape maintain a fair level of financial soundness. This can, however, be improved if resources are fully exploited and a social contract is entered into between the council and its consumers based on a realistic credit control policy, supported by a sensitive indigent policy.

- To ensure that all complaints and queries from ratepayers and alleged irregularities with regard to municipalities are dealt with in a responsible and swift manner.

During the year the department received numerous complaints and allegations of misconduct and misappropriation across legal, financial, social and political boundaries. All complaints

and allegations received, were attended to and statistics in this respect are reflected later in the report.

Of note is that many of the complainants had an axe to grind with their municipalities because of what can be termed “a cold shoulder”.

Attending to these complaints is time and resource consuming and the Department is heavily reliant on responses from municipalities, but the Department considers this service as a safety valve and is looking at improving the process by way of which these complaints can be dealt with. Allegations of misconduct and misappropriation were dealt with strictly in terms of legislation.

- To do capacity building in terms of the Consolidated Municipal Infrastructure Programme (CMIP)

During the year capacity building programmes flowing from the CMIP were to target aspects, which relate to the creation of infrastructure, the management of infrastructure and the maintenance of infrastructure. In this respect programmes were designed and presented for example on the following subjects:

- Local Economic Development (LED) workshops
- Water and waste management
- Electricity management
- Traffic engineering
- LED project management
- Advanced driver training
- Financial management for engineers

Full particulars are reflected later in this report.

## 2.5 Programme Performance

### 2.5.1 Summary of programme structure and expenditure by programme

Table 1: Programme aims and measurable objectives

<b>Programme 1: Administration</b>	<b>Aim:</b> To conduct the management of Department and to ensure an effective and efficient transformed administration.
<b>Measurable objectives</b> <ol style="list-style-type: none"> <li>1. Conduct the overall management of the Department and to ensure an effective and efficient transformed administration</li> <li>2. Conduct and manage the Office of the Provincial Minister</li> </ol>	

**Programme 2: Local Government  
Legislation and Administration**

**Aim:** To assist municipalities to function according to applicable legislation.

**Measurable objectives**

1. Give effect to the Province's monitoring and support obligations.
2. Bring on board all municipalities to the different forums.
3. Effective support to councils regarding functioning of councillors and councils

**Programme 3: Local Government  
Development**

**Aim:** To monitor and support municipalities with the process of transformation, the development of integrated development plans, property valuations and disaster management.

**Measurable objectives**

1. Assist the 30 municipalities with the process of transformation / restructuring
2. Assist and support municipalities to conceptualise and implement developmental local government
3. Complete implementation of Performance Management System (PMS) in 30 municipalities.
4. Assist the 5 district municipalities with the re-assessment of their IDP frameworks
5. Assist the 30 municipalities with the re-assessment of their IDP's.
6. Assist the 30 municipalities with the drafting of effective process plans.
7. Coordinate the Urban Renewal Programme (URP) and the Integrated Sustainable Rural Development Programme (ISRDP) at the identified nodes
8. Assist in the capacity building of municipal officials regarding specific training needs.
9. Craft a comprehensive capacity building strategy and programme to assist municipalities in becoming responsible for the autonomous implementation of developmental local government
10. Provide for an integrated and co-ordinated approach to Disaster Management in the Province which will focus on the following aspects:
  - Preventing or reducing the risk of disasters,
  - Mitigating the severity of disasters
  - Emergency preparedness,
  - Rapid and effective response to disasters and post-disaster recovery
11. Establishment of a Provincial Disaster Management Centre and support to Regional Disaster Management Centres. (City of Cape Town and five District Municipalities).
12. Monitor whether Fire Brigade Services which have been established are maintained as prescribed in the Fire Brigade Services Act e.g.:
  - Fire Prevention
  - Fire Fighting
  - Preservation of life and property from losses by fire
  - Saving of lives and property.
13. Conduct the administration and implementation of municipal valuation legislation.
14. Undertake five research projects that will enhance the activities of the three local government directorates
15. Capacitate municipalities to implement a framework for community participation in local government for municipalities.

<b>Programme 4: Local Government Finance</b>	<b>Aim:</b> To monitor the financial viability of municipalities and to implement management support programmes at identified municipalities
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**Measurable objectives**

1. Co-ordinate the implementation of management support programmes at identified municipalities.
2. Monitor and support municipalities to comply with financial prescripts.
3. Monitor the financial viability of municipalities.

<b>Programme 5: Consolidated Municipal infrastructure Programme</b>	<b>Aim:</b> To create capacity in terms of the CMIP
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**Measurable objectives**

1. Arrange and present capacity building programmes
2. Monitor and co-ordinate the CMIP

**Table 2: Funds allocated to programmes and actual expenditure (R 000)**

Programme	Voted for 2002/03	Roll-overs and adjustments	Virement	Total Voted	Actual expenditure	% over or under spending	Funds to be rolled over in 2003/04
Administration	4 128		474	4 602	4 073	11.50	0
Local government Legislation and Administration	2 575		(249)	2 326	2 034	12.55	0
Local Government Development	12 856			12 856	11 239	12.58	1 015
Local Government Finance	27 414		(225)	27 189	11 995	55.88	14 833
Consolidated Municipal infrastructure Programme	8 617			8 617	8 475	1.65	50
<b>Total</b>	<b>55 590</b>			<b>55 590</b>	<b>37 816</b>	<b>31.97</b>	<b>15 898</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

The savings reflected are due to:

- a conservative approach to the filling of vacant posts as a result of the uncertainty as to whether the responsibility for municipal finance will be allocated to the Provincial Treasury or to the provincial Department of Local Government in terms of the proposed Municipal Finance Management Bill. This matter has not been finalised and is vacillating between these two departments, as the Bill has still not been finalised.
- the insistence by the Department that funds allocated for the drafting of IDP's be utilised by municipalities in full, before money is allocated for the review of IDP's.
- the late approval of the provincial business plan in respect of the national conditional Local Government Support Grant, which is utilised for management support programmes at municipalities. Although the provincial business plan was submitted early in March 2002, approval was only received at the end of July 2002. What must be remembered is that municipalities still have to go out on tender to appoint service providers after approval is received, which is also time consuming and the Department only pays over the funds on the receipt of certified claims once actual delivery of services have taken place.

**Table 3: Evolution of expenditure by programme (R 000)**

Programme	Year – 2 2000/01 (Actual)	Year – 1 2001/02 (Actual)	Year – 0 2002/03 (Actual)	Average annual growth (Nominal)
Administration	1 836	2 829	4 073	49.00
Local government Legislation and Administration	2 212	2 090	2 034	(4.05)
Local Government Development	6 547	10 338	11 239	33.30
Local Government Finance	9 363	14 322	11 995	18.35
Consolidated Municipal infrastructure Programme			8 475	100
<b>Total</b>	<b>19 958</b>	<b>29 579</b>	<b>37 816</b>	<b>38.00</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

### 2.5.2 Programme 1: Administration

Programme 1 consists of the following sub-programmes:

#### Sub-programme 1.1: Corporate Services

Office of the Head of the Department

Office of the Chief Director

#### Measurable objectives:

- Conduct the overall management of the Department and to ensure an effective and efficient transformed administration



## Sub-programme 1.2: Office of the Provincial Minister of Local Government

rendering of advisory, secretarial, administrative and office support services

### Measurable objectives:

- Conduct and manage the Office of the Provincial Minister

#### 2.5.2.1 Policy developments:

Policy development processes focussed mainly on the establishment and development of new Department of Local Government on 1 August 2002

#### 2.5.2.2 Delivery against performance targets

Table 4: Programme 1: Administration performance in 2002/03

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
Provision of timely and accurate flow of financial and other operational information necessary for strategic decision making and for assessing the performance of the organisation.	Timely and accurate financial, personnel and other statistical reports	Predetermined timeframes and prescribed formats adhered to	All reports/statistics were submitted timeously in the prescribed formats	0%
Efficient and effective systems of internal control, including appropriate segregation of duties.	Report of the Auditor-General	Unqualified report	Unqualified report	0%

#### 2.5.2.3 Use of appropriated funds

Table 5: Funds allocated to sub-programme and actual expenditure (R 000)

Sub-Programme	Voted for 2002/03	Roll-overs and adjustments	Virement	Total Voted	Actual expenditure	% over or under spending	Funds to be rolled over in 2003/04
Corporate Services	2 579		155	2 734	2 355	13.86	0
Office of the Provincial Minister of Local Government	1 549		319	1 868	1 718	8.03	0
<b>Total</b>	<b>4 128</b>		<b>474</b>	<b>4 602</b>	<b>4 073</b>	<b>11.50</b>	<b>0</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

**Table 6: Evolution of expenditure by sub-programme (R'000)**

Sub-Programme	Year – 2 2000/01 (Actual)	Year – 1 2001/02 (Actual)	Year – 0 2002/03 (Actual)	Average annual growth (Nominal)
Corporate Services	544	723	2 355	129.30
Office of the Provincial Minister of Local Government	1 292	2 106	1 718	22.29
<b>Total</b>	<b>1 836</b>	<b>2 829</b>	<b>4 073</b>	<b>49.00</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

The savings reflected are due to:

- an agency service rendered by the Department of Housing resulting in savings on administration costs and equipment.
- no overseas trips were taken by the Minister resulting in savings on administration costs.
- a contract, to upgrade the security system at the Minister's house, was not completed on 31 March 2003.

### 2.5.3 Programme 2: Local Government Legislation and Administration

Programme 2 consists of the following sub-programme:

#### **Sub-programme 2.1: Local Government Legislation and Administration**

Rationalisation of local authority legislation with due regard to applicable national legislation

Assistance to local authorities to function according to applicable legislation

#### Measurable objectives:

- Give effect to the Province's monitoring and support obligations
- Bring on board all municipalities to the different forums
- Effective support to councils regarding functioning of councillors and councils
- To make meaningful input in the drafting and amendment of national legislation regarding local government

#### 2.5.3.1 Policy developments:

Policy development processes focussed on the following functional areas during the year:

- A just remuneration package for councillors
- Executive mayoral and ward participatory system
- Legality of Valuation Ordinance of 1993

### 2.5.3.2 Delivery against performance targets

Table 7: Programme 2: Local Government Legislation and Administration performance in 2002/03

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
Provincial Act on monitoring and supporting of local government.	Cabinet submission to obtain in principle approval of cabinet	Cabinet in principle approval	In principle approval obtained on 20 May 2002	0%
	To appoint consultants to assist in process	Appoint consultants	Consultants appointed on 7 November 2002	0%
	Draft Bill	Draft Bill	First draft was received on 24 January 2003	-50%
3 types of forums will be functioning	Number of PAFTECH meetings	Four meetings	Four meetings	0%
	Number of PAF meetings	Four meetings	Four meetings	0%
	Number of DAF meetings	As many as possible	Sixteen meetings	0%
Successful interventions when needed in respect of councillor affairs.	Maximum use of non-statutory interventions	To keep statutory interventions (section 139 of Constitution and section 106 of Systems Act) to the minimum	No statutory interventions	0%
Meaningful inputs in national legislation regarding local government	Suggestion accepted	Maximum acceptance of suggestions	Suggestions accommodated in the Local Government Laws amendment Act in respect of code of conduct for councillors Suggestions accommodated crossing of the floor legislation	0%

As mentioned earlier slow progress was made in achieving this particular objective. The lack of direction due to political instability was a particularly telling factor in this regard and the fact that staff with the necessary skills are limited. However in the latter part of the year, legal consultants were appointed to design a framework and to give content to a Bill within that framework.

### 2.5.3.3 Use of appropriated funds

**Table 8: Funds allocated to sub-programme and actual expenditure (R 000)**

Sub-Programme	Voted for 2002/03	Roll-overs and adjustments	Virement	Total Voted	Actual expenditure	% over or under spending	Funds to be rolled over in 2003/04
Local government Legislation and administration	2 575		(249)	2 326	2 034	12.55	0
<b>Total</b>	<b>2 575</b>		<b>(249)</b>	<b>2 326</b>	<b>2 034</b>	<b>12.55</b>	<b>0</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

**Table 9: Evolution of expenditure by sub-programme (R'000)**

Sub-Programme	Year – 2 2000/01 (Actual)	Year – 1 2001/02 (Actual)	Year – 0 2002/03 (Actual)	Average annual growth (Nominal)
Local government Legislation and Administration	2 212	2 090	2 034	(4.05)
<b>Total</b>	<b>2 212</b>	<b>2 090</b>	<b>2 034</b>	<b>(4.05)</b>

Note: Figures are only reflected for the period 1 August 2002-March 2003

The savings reflected are due to:

- the non-appointment of consultants for the compilation of a Provincial Act on Local Government.

### 2.5.4 Programme 3: Local Government Development

Programme 3 consists of the following sub-programmes:

#### Local government development

Monitoring and support of local government structures

Monitor and promote the Integrated Development Planning process at municipalities

**Measurable objectives:**

- Assist the 30 municipalities with the process of transformation / restructuring
- Assist and support municipalities to conceptualise and implement developmental local government
- Complete implementation of Performance Management System (PMS) in 30 municipalities
- Assist the 5 district municipalities with the re-assessment of their IDP frameworks
- Assist the 30 municipalities with the re-assessment of their IDP's.
- Assist the 30 municipalities with the drafting of effective process plans.
- Coordinate the Urban Renewal Programme (URP) and the Integrated Sustainable Rural Development Programme (ISRDP) at the identified nodes
- Assist in the capacity building of municipal officials regarding specific training needs.
- Crafting a comprehensive capacity building strategy and programme to assist municipalities in becoming responsible for the autonomous implementing of developmental local government

**Disaster management and fire-fighting**

Promotion of pro-active approach towards disaster management and fire-fighting

**Measurable objectives:**

- Provide for an integrated and co-ordinated approach to Disaster Management in the Province which will focus on the following aspects:
  - § Preventing or reducing the risk of disasters,
  - § Mitigating the severity of disasters
  - § Emergency preparedness,
  - § Rapid and effective response to disasters and post-disasters recovery.
- Establishment of a Provincial Disaster Management Centre and support to Regional Disaster Management Centres. (City of Cape Town and five District Municipalities).
- Monitor whether Fire Brigade Services which have been established are maintained as prescribed in the Fire Brigade Services Act i.e.-
  - \* Fire Prevention
  - \* Fire Fighting
  - \* Preservation of life and property from losses by fire
  - \* Saving of lives and property

**Valuations**

Advisory service and statutory obligations with regard to property valuations

**Measurable objectives:**

- Conduct the administration and implementation of municipal valuation legislation.

**Research**

Rendering of advisory services to local authorities on social and constitutional matters

**Measurable objectives:**

- Undertake five research projects that will enhance the activities of the three local government directorates
- Capacitate municipalities to implement a framework for community participation in Local Government for municipalities.

**2.5.4.1 Policy developments:**

Policy development processes focussed on the following functional area during the year:

- Public participation

**2.5.4.2 Delivery against performance targets**

**Table 10: Programme 3: Local Government Development performance in 2002/03**

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
30 successfully restructured / transformed municipalities.	Number of municipalities scoring above 60% on transformation questionnaire	Optimal number of municipalities	26 out of 29 (City of Cape Town excluded)	0%
A provincial capacity building programme focussed on developmental local government	Monitoring and assistance with LED projects	To monitor and assist with 17 LED projects	17	0%
	Developmental local government training through CMIP training	11 Training courses	11	0%
	Modules in financial training for councillors	Present 2 modules	2	0%

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
30 performance management systems will be implemented, monitored and reported on.	Status quo report	1 Status quo report	1	0%
	Workshop with municipalities and service providers	1 Workshop	1	0%
	To provide funding to municipalities	Allocation and payment of funds	All funds were allocated and transferred	0%
	To provide municipal reporting format guideline	1 Municipal Reporting format	1	0% (template was also used by national)
	To update format via PAFTECH	2 Updates via PAFTECH	2	0%
30 assessed Integrated Development Plans (IDP's).	Number of assessed IDP's	30 assessed IDP's	30	0%
Urban Renewal Programme (URP)/ Integrated Sustainable Rural Development Programme (ISRDP) – visible progress with implementation of projects	<u>URP</u> Facilitate Political Champion intervention	<u>URP</u> 1 political Champion meeting	<u>URP</u> 2	<u>URP</u> +100%
	Establish technical institutional interface between Province and City of Cape Town	Bilateral structure	Multi stakeholder steering committee including 2 community forums	0%
	Anchor projects	Identification of anchor projects	Identification of anchor projects and “quick win” projects in Khayelitsha (4& 12) & Mitchell's Plain (5 & 29) respectively	0%
	<u>ISRDP</u> Number of anchor projects funded (16)	<u>ISRDP</u> 10	<u>ISRDP</u> 11 funded projects (5 partially funded)	<u>ISRDP</u> +10%

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
	Identification of priority projects during two workshops	20 projects	22 projects	+10%
	Establish and set-up meetings of Nodal Management Committee	Established committee and 4 meetings	Established committee and 5 meetings	+25%
	Establish structure to align provincial and municipal planning and budgeting via IDP	Established structure with terms of reference	Established structure with terms of reference	0%
A specific certificate programme in Developmental Local Government that focuses on Developmental local government; public participation and managing public private partnerships.  Municipal officials attending and successfully completing the programme.	Number of municipal officials attending and completing the programme	20	22	+10%
Capacity building of 30 municipalities.	Number of municipal officials attending 4 day training session for senior officials at Kromme Rhee	1 representative from each municipality	28 officials representing 26 municipalities	-14%



Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
As part of a multi-disciplinary and integrated approach, ensure that the Disaster Management plans of the five district municipalities and the City of Cape Town are maintained.	Maintained disaster management plans for the 5 district municipalities and one for the City of Cape Town	6 Effective disaster management plans	6 Effective disaster management plans	0%
Establishment of a single Provincial Disaster Management (Operational) Centre for the Western Cape Province.	Provincial disaster management centre	Provincial disaster management centre	Not achieved, see explanation after table	-100%
Ensure that the Disaster Management Information Systems is applied effectively.	Development of disaster risk reduction and disaster recovery IT systems	Completion of both systems	Both systems were completed	0%
Ensure that the established fire brigade services can address and attend to the identified risk within their area of jurisdiction and that adequate equipment and manpower are available.	Completion of Category of Authorised Persons Report on the status of fire fighting service in the 5 district areas, including local and district municipalities	5 Reports	5	0%
Adoption of 30 valid municipal valuation rolls.	Number of municipalities with valid valuation rolls	24	24	0%
Research projects will be undertaken.	Number of research projects undertaken	5	3	-40%
City public participation policies.	Public participation guideline document	Guideline document	1	0%

The implementation of performance management systems at municipalities is a costly and complex exercise. The initial output of 30 implemented performance management systems was a bit optimistic, due to the fact that municipalities remain independent entities. The Department embarked on high-level support initiatives and the provincial guideline template for the compilation of municipal performance reports was utilised by the national Department of Provincial and Local Government to distribute nationally.

The URP had a slow start and only gained momentum after political and bureaucratic problems were ironed out.

The provincial Disaster Management Centre could not be established, as the Disaster Management Act was only published on 18 January 2003 and will only come into effect on a date to be determined. Subsequently, the Disaster Management Framework was not completed during the reporting period, holding back the development of provincial and municipal frameworks. The lack of funds to establish a provincial disaster management centre is also problematic.

On the bright side, the Disaster management plans of the City of Cape Town were effectively implemented during the floods on the Cape flats and the Boland district plan was implemented during the Montagu floods and the Muldersvlei train disaster.

### 2.5.4.3 Use of appropriated funds

**Table 11: Funds allocated to sub-programme and actual expenditure (R 000)**

Sub-Programme	Voted for 2002/03	Roll-overs and adjustments	Virement	Total Voted	Actual expenditure	% over or under spending	Funds to be rolled over in 2003/04
Local government development	12 856			12 856	11 239	12.58	1 015
<b>Total</b>	<b>12 856</b>			<b>12 856</b>	<b>11 239</b>	<b>12.58</b>	<b>1 015</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

**Table 12: Evolution of expenditure by sub-programme (R'000)**

Sub-Programme	Year – 2 2000/01 (Actual)	Year – 1 2001/02 (Actual)	Year – 0 2002/03 (Actual)	Average annual growth (Nominal)
Local government development	6 547	10 338	11 239	33.30
<b>Total</b>	<b>6 547</b>	<b>10 338</b>	<b>11 239</b>	<b>33.30</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

As mentioned earlier, the saving is due to the insistence by the Department that funds allocated for the drafting of IDP's be utilised by municipalities in full before money is allocated for the review of IDP's.

### 2.5.5 Programme 4: Local Government Finance

Programme 4 consists of the following sub-programme:

#### **Sub-programme 4.1: Local government finance**

- Monitoring and interventive support of financial administration of local governments
- Regulation of capital requirements and specific service matters at local authorities
- Monitoring of the financial viability of local authorities

#### **Measurable objectives:**

- Co-ordinate the implementation of management support programmes at identified municipalities
- Monitor and support local government to comply with financial prescripts.
- Monitor the financial viability of municipalities.

### 2.5.5.1 Policy developments:

Policy development processes focussed on the following functional areas during the year:

- National criteria for the implementation of management support programmes
- The implementation of free basic services

### 2.5.5.2 Delivery against performance targets

**Table 13: Programme 4: Local Government Finance performance in 2002/03**

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
8 management support programmes will be implemented	Number of management support programmes implemented	8	11	+37.5%
30 municipalities will be monitored for adherence to financial prescripts.	Number of questionnaires distributed and returned quarterly on behalf of national department	30 questionnaires quarterly	30	0%
	Number of status report to HOD and Minister of Local Government	4 (quarterly) reports	4	0%
	Number of status presentations to municipal managers and mayors	4 (quarterly) Status presentations	4	0%
	Number of meetings with official of the auditor - general	4 (quarterly) meetings	4	0%
30 municipalities will be monitored for acceptable standard of viability.	Number of questionnaires distributed and returned quarterly on behalf of national department	30 questionnaires quarterly	30	0%

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
	Number of status report to HOD and Minister of Local Government	4 (quarterly) reports	4	0%
	Number of status presentations to municipal managers and mayors	4 (quarterly) Status presentations	4	0%

Although all the planned management support programmes were implemented, a huge part of the allocated funds were not spent due to the late approval by the national Department of Provincial and Local Government of the provincial business plan in respect of the national conditional Local Government Support Grant, which is utilised for these programmes. Although the provincial business plan was submitted early in March 2002, approval was only received at the end of July 2002. What must be remembered is that municipalities still have to go out on tender to appoint service providers after approval is received, which is also time consuming. The Department only pays over the funds on the receipt of certified claims once actual delivery of services takes place. The Head of the Department took up this issue with the national Director-General to speed up the approval process.

### 2.5.5.3 Use of appropriated funds

**Table 14: Funds allocated to sub-programmes and actual expenditure (R 000)**

Sub-Programme	Voted for 2002/03	Roll-overs and adjustments	Virement	Total Voted	Actual expenditure	% over or under spending	Funds to be rolled over in 2003/04
Local government finance	27 414		(225)	27 189	11 995	55.88	14 833
<b>Total</b>	<b>27 414</b>		<b>(225)</b>	<b>27 189</b>	<b>11 995</b>	<b>55.88</b>	<b>14 833</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

**Table 15: Evolution of expenditure by sub-programme (R'000)**

Programme	Year – 2 2000/01 (Actual)	Year – 1 2001/02 (Actual)	Year – 0 2002/03 (Actual)	Average annual growth (Nominal)
Local government finance	9 363	14 322	11 995	18.35
<b>Total</b>	<b>9 363</b>	<b>14 322</b>	<b>11 995</b>	<b>18.35</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

As mentioned earlier, the huge saving is due to the late approval of the provincial business plan in respect of the national conditional Local Government Support Grant, which is utilised for management support programmes at municipalities. Municipalities have to go out on tender to appoint service providers after approval is received, which is time consuming and the Department only pays over the funds on the receipt of certified claims once actual delivery of services took place.

The department's ultimate objective through the implementation of these Management Support Programmes is to assist municipalities to become and remain financially viable entities through the appointment of dedicated, professional service providers and to ensure that effective sustainable skills transfer does indeed take place.

Section 154(1) of the Constitution places an obligation on National and Provincial Government, by legislative and other means, to monitor, support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. Accordingly, this province supports and assist struggling municipalities focusing on the enhancement of their financial and administrative capacity for sustainable service delivery, through funds allocated by the National Department of Provincial and Local Government to provinces by means of the annual Division of Revenue Act.

The programme is aimed at achieving the following main outcomes/objectives:

- Independent municipalities that are able to function in a positive cash flow situation.
- Increased effective and efficient service delivery to the community.
- Municipalities that adhere to all the statutory requirements set for them.
- Through the rendering of support, the effective completion of key transitional activities.
- Cash funded budgets to ensure financial independence.
- Effective sustainable skills transfer, and
- Ultimately to achieve successful municipalities.

For 2002/03 an amount of R16.5 million was made available through the Management Support Programme to municipalities which are lagging with their transformation activities and or encounters serious financial problems. A total of 11 municipalities were identified through regular monitoring of key predetermined indicators and also through interactions with various role-players, in this provinces' business plan, which was approved by the national Department of Provincial and Local Government.

Depending on the level of support that is needed, assistance was given to fund specific projects for one financial year or a "multi-year turn around strategy" is followed to ensure that the municipality addresses all its needs over the medium term.

The Department has come a long way in stabilizing municipalities through the implementation of the management support programme by the appointment of dedicated, competent service providers. We have achieved success through the stabilization of municipalities that experienced serious financial and administrative problems. Examples of “best practices” can now be showcased at municipalities where the programme was successfully implemented.

The reason for the successes achieved at these municipalities can, inter alia, be attributed to the implementation of multi-year turn around plans, dedicated work by the services providers, buy-in from the officials and councillors, constant monitoring by the department and municipal steering committees and the proper transfer of skills thus ensuring that capacity is retained.

Although great successes were reached in the Province with the implementation of these Management Support Programmes, the funds with which they were financed will only be available until the 2004/05 financial year. Thereafter the funds will be channelled direct from national via the district municipalities as part of one big capacity building allocation. The Province not only loses these important funds, but its role is being totally disregarded. At this stage the chances of Provincial own funds being made available for this purpose looks very slim to support municipalities if they are facing a financial and/or administrative crises.

The Department is also concerned that if the funds will be paid directly to the municipalities it will hamper the current strategic intervention from the department. Concerns are also raised about the commitment of municipalities to take responsibility for supporting themselves once the payment flows directly to them.

#### **2.5.6 Programme 5: Consolidated Municipal Infrastructure Programme**

Programme 5 consists of the following sub-programme:

##### **Sub-programme 5.1: Consolidated Municipal Infrastructure Programme**

Monitoring and support of the creation of infrastructure in respect of the Consolidated Municipal Infrastructure Programme (CMIP).

##### **Measurable objectives:**

- To provide for capacity building initiatives in respect of the Consolidated Municipal Infrastructure Programme (CMIP).

##### **2.5.6.1 Policy developments:**

##### **Policy development processes focussed on the following functional areas during the year:**

- The selection and prioritisation of projects, previously the responsibility of this Department, is now the responsibility of district municipalities. Except for the capacity building part of the CMIP funds, the rest are now transferred directly from national to the district municipality and not via the Province as in the past. However, the Department maintains an oversight responsibility in respect of the programme and is still responsible for CMIP capacity building.

## 2.5.6.2 Delivery against performance targets

**Table 16: Programme 5 Consolidated Municipal Infrastructure Programme performance in 2002/03**

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
Provincial CMIP workshops to capacitate municipal officials	Number of workshops	9	9	0%
	Number of municipal delegates attending	Representative from every municipality	291 (Total, more than one from every municipality)	0%
Water & sewerage treatment courses:	Number of courses			
	- On site training	22	22	0%
	- Municipal water care managers	2	2	0%
	- Municipal engineers	2	2	0%
	Number of municipal delegates attending			
	- On site training	As many as possible	223	0%
- Municipal water care managers	As many as possible	37	0%	
- Municipal engineers	As many as possible	45	0%	



Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
Road maintenance courses	Number of courses			
	- Active supervision	3	3	0%
	- Maintaining infrastructure	3	3	0%
	- Replacement of guard railings & road signs	8	8	0%
	- Bituminous pavement repairs	10	10	0%
	- Safety at roadwork	11	11	0%
	Number of municipal delegates attending	As many as possible	458 (Total)	0%
Electrical courses	Number of courses			
	- High & medium voltage (Theoretical)	3	3	0%
	- High & medium voltage (Practical)	6	6	0%
	- Street lighting	10	10	0%
	- Modular training for municipal electricians	32	32	0%
	- low voltage training	6	6	0%
	Number of municipal delegates attending			
	- High & medium voltage (Theoretical)	As many as possible	93	0%
	- High & medium voltage (Practical)	As many as possible	85	0%
	- Street lighting	As many as possible	81	0%

Output	Performance measure	Performance Target	Actual Performance	% deviation from planned performance
	- Modular training for municipal electricians	As many as possible	261	0%
	- Low voltage training	As many as possible	63	0%
Traffic engineering courses	Number of courses			
	- Pavement materials & design	1	1	0%
	- Traffic safety & calming)	1	1	0%
	Number of municipal delegates attending			
	- Pavement materials & design	As many as possible	35	0%
	- Traffic safety & calming	As many as possible	37	0%
Driver training courses	Number of municipal officials trained			
	- Digger loader	29	29	0%
	- Code 10 learners	12	12	0%
Local economic development workshops	Number of workshops	4	4	0%
	Number of municipal delegates attending	As many as possible	38	0%
Managing Local Economic Development course	Number of courses	4	4	0%
	Number of municipal delegates attending	As many as possible	20	0%
Financial management course for engineers	Number of workshops	3	3	0%
	Number of municipal delegates attending	As many as possible	84	0%

As mentioned before, with regard to management support funds, although great successes are attained in the Province with the implementation of these CMIP capacity building initiatives, the funds with which they are financed will only be available until the 2004/05 financial year. Thereafter the funds will be channelled direct from national via the district municipalities as part of one consolidated capacity building allocation. The Province not only loses these important funds, but its role is diminished and disregarded. At this stage the chances of Provincial own funds being made available for this purpose looks very slim.

The Department is also concerned that if funds are paid directly to the municipalities it will curtail the current strategic intervention ability of the department. A source of concern remains the equitable distribution of the funds if this route is followed. Even more importantly the management, monitoring and control of these funds become fragmented and an administrative nightmare.

Capacity building in transversal needs can be done much more efficiently if managed on a provincial wide basis by the Department.

### 2.5.6.3 Use of appropriated funds

**Table 17: Funds allocated to sub-programmes and actual expenditure (R 000)**

Sub-Programme	Voted for 2002/03	Roll-overs and adjustments	Virement	Total Voted	Actual expenditure	% over or under spending	Funds to be rolled over in 2003/04
Consolidated Municipal Infrastructure Programme	8 617			8 617	8 475	1.65	50
<b>Total</b>	<b>8 617</b>			<b>8 617</b>	<b>8 475</b>	<b>1.65</b>	<b>50</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

**Table 18: Evolution of expenditure by sub-programme (R'000)**

Sub-Programme	Year – 2 2000/01 (Actual)	Year – 1 2001/02 (Actual)	Year – 0 2002/03 (Actual)	Average annual growth (Nominal)
Consolidated Municipal Infrastructure Programme			8 475	100
<b>Total</b>			<b>8 475</b>	<b>100</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

## 2.6 Management and use of resources

Broadly speaking, management succeeded, in spite of limited financial and enforced limited personnel resources, to give effect to at least 95% of the Departments' plans. The department has a minuscule budget by comparison to that of say the Department of Health and is largely dependent on conditional grants from national Departments, but the enthusiasm and commitment of this dedicated Department to leap into the breach is reflected in its results as contained in this report.

### 2.6.1 Financial management

The Department was dependent on an agency service in terms of financial management support, which is far from ideal. Although all prescripts have been honoured the situation remains unsatisfactory.

### 2.6.2 Trends in revenue collection

Table 19: Departmental revenue collection (R'000)

Description	1999/2000 Actual	2000/01 Actual	2001/02 Actual	2002/03 Target	2002/03 Actual	% deviation from target
Current revenue						
Tax revenue						
Non-tax revenue				4	292	7300.00
Capital revenue						
<b>Total</b>				<b>4</b>	<b>292</b>	<b>7300.00</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

### 2.6.3 Trends in current expenditure

42,24 % (R15, 974 mil) of the Department's expenditure was for transfer payments to municipalities and 27,12% (R10, 257 mil) was for professional and special services. Of these amounts 70,05% (R18, 377 mil) was funded with national conditional grants.

### 2.6.4 Capital investment, asset management and maintenance

Nil return

## 2.6.5 Conditional grants

Table 20: Summary of conditional grants for 2002/03 (R'000)

Conditional Grant	Total Allocation	Total transfers	Actual Expenditure
Consolidated Municipal Infrastructure Programme	8 617	8 617	8 475
Local Government Management Support Grant	16 500 (02/03 new) 8 236 (01/02 roll-over) 24 736 (Total)	16 500 (02/03 new) 8 236 (Transferred 01/02) 24 736 (Total)	9 902

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

All transfers from the national Department of Provincial and Local Government were made as scheduled. As mentioned before, the late approval of the provincial business plan curtailed the Department's spending. The spending of the funds at municipal level is closely monitored and funds are only paid out after the receipt of certified claims from municipalities. Monthly reporting was done in terms of the Division of Revenue Act, 2002. Outputs are closely monitored through monthly municipal steering committee and quarterly provincial steering committee meetings.

## 2.6.6 Transfer payments

Table 21: Details of transfer payments per municipality/ institution

Name of institution	Amount transferred R'000
Surf Life-saving Association of South Africa	100

Name of municipality Integrated Development Plans	Amount transferred R'000
Beaufort West	8
Bergrivier	179
Boland	143
Breede River/Winelands	34
Cape Agulhas	57
Cederberg	30
Drakenstein	116
Eden	100
George	70
Kannaland	50
Knysna	69
Laingsburg	8
Matzikama	78
Mossel Bay	75
Oudtshoorn	19
Overberg	180
Overstrand	99
Plettenberg Bay	105
Prince Albert	25
Saldanha Bay	46
Stellenbosch	50
Swartland	58
Swellendam	71
Theewaterskloof	124
West Coast	75
<b>Sub total</b>	<b>1 869</b>

Name of municipality Disaster Management Computers	Amount transferred R'000
Beaufort West	17
Bergrivier	17
Boland	17
Breede River/Winelands	17
Breede Valley	17
Cape Agulhas	17
Cederberg	17
Central Karoo	17
Drakenstein	17
Eden	17
George	17
Kannaland	17
Knysna	17
Laingsburg	17
Langeberg	17
Matzikama	17
Mossel Bay	17
Oudtshoorn	17
Overberg	17
Overstrand	17
Plettenberg Bay	17
Prince Albert	17
Saldanha Bay	17
Stellenbosch	17
Swartland	17
Swellendam	17
Theewaterskloof	17
West Coast	17
Witzenberg	17
<b>Sub total</b>	<b>493</b>

Name of municipality Performance Management System	Amount transferred R'000
Matzikama	100
Cederberg	100
Bergrivier	100
Witzenberg	100
Drakenstein	50
Stellenbosch	100
Breede River/ Winelands	100
Theewaterskloof	100
Cape Agulhas	100
Overberg	50
Kannaland	100
Langeberg	100
George	100
Oudtshoorn	100
Central Karoo	200
<b>Sub total</b>	<b>1 500</b>

Name of municipality Management Support Programmes	Amount transferred R'000
Beaufort West	545
Boland	278
Breede Valley	3 039
Cederberg	528
Central Karoo	814
Drakenstein	27
Eden	850
Kannaland	871
Knysna	117
Laingsburg	283
Matzikama	85
Oudtshoorn	357
Overberg	885
Overstrand	138
Plettenberg Bay	58
Saldanha Bay	18
Swartland	16
Swellendam	117
West Coast	109
Witzenberg	767
<b>Sub total</b>	<b>9 902</b>



Name of municipality	Amount transferred R'000
Central Karoo (Fire-fighting equipment)	300
City of Cape Town (Standby fees helicopter)	1 700
Knysna (Water meters for Karatara)	110
<b>Sub total</b>	<b>2 110</b>
<b>TOTAL</b>	<b>15 974</b>

Note: Figures are only reflected for the period 1 August 2002-31 March 2003

## 2.7 Co-ordination, co-operation and outsourcing plans

The department participated in and/or maintains the following co-ordination fora:

- URP Multi Stakeholder Committee
- ISRDP Management Committee
- Provincial IDP Assessment Committee
- Provincial Top Management
- Cabinet Committees and Clusters
- Provincial Disaster Management Co-ordinating Committee
- Provincial Bargaining Chamber
- Provincial Inter-departmental AIDS Committee
- Inter-departmental Environmental Liaison Committee
- Local Government Sectoral Education and Training Authority

The department participates in and/or maintains the following co-operation fora:

- Provincial Advisory Forum
- Provincial Advisory Forum (Technical)
- District Advisory Forums
- Regional Associations of Senior Municipal Managers
- Institute of Municipal Finance Officers (IMFO)
- Institute of Municipal Engineers of South Africa (IMESA)
- Provincial Disaster Management Co-ordinating Committee
- Local Government MINMEC
- Local Government MINMEC (Technical)
- Department of Water Affairs and Forestry MINMEC
- Department of Water Affairs and Forestry MINTEC

### 2.7.1 Interdepartmental linkages

- Provincial Departments
- National Departments

### 2.7.2 Local Government linkages

- All municipalities within the Western Cape
- Western Cape Local Government Organisation (WECLOGO)
- Non-Governmental Organisations (NGO's)
- Universities

# **PART THREE**

## *Report of the Audit Committee*

### **REPORT OF THE WESTERN CAPE PROVINCIAL GOVERNMENT SHARED AUDIT COMMITTEE ON THE DEPARTMENT OF LOCAL GOVERNMENT (VOTE 12) FINANCIAL YEAR ENDED 31 MARCH 2003**

#### **1. INTRODUCTION**

The Audit Committee is pleased to present its report for the above-mentioned financial year.

#### **2. AUDIT COMMITTEE MEMBERS AND ATTENDANCE**

2.1 On 4 May 2000, the Head of the Provincial Treasury, in terms of section 17(2) and 77(c) of the Public Finance Management Act, 1999 (Act 1 of 1999) established a centralised Audit Committee for the Western Cape Provincial Government. The Audit Committee Charter required that the Audit Committee meet not less than four times per calendar year to address internal audit issues. However, since September 2001 this Audit Committee has not been operational due to an inability to appoint qualified members.

2.2 Subsequently, the Western Cape Provincial Cabinet (Cabinet Resolution No. 75/2003 dated 30 April 2003) appointed 5 audit committee members as mentioned below on 23 June 2003 for the period 1 April 2003 to 31 March 2005 on the shared Audit Committee.

##### **Members**

Mr JA Jarvis (Chairperson)

Ms L Hendry

Mr J January

Mr VW Sikobi

Mr R Warley

2.3 The newly appointed shared Audit Committee officially met for the first time on 4 and 5 August 2003 to consider the Auditor-General Reports and the Annual Financial Statements for the financial year ended 31 March 2003 and its Terms of Reference related thereto.

#### **3. AUDIT COMMITTEE RESPONSIBILITY**

3.1 The Audit Committee reports that as it has not had the opportunity to formally consider its Charter, inclusive of Terms of Reference, and that the *Guidelines for audit committee members* and the *Specimen audit committee report* as contained in the *National Treasury Guide for the preparation of annual reports for national and provincial departments for the year ended 31 March 2003*, pages 31 to 35, has been adopted as its Terms of Reference for the purposes of this report.

3.2 The Audit Committee also reports that it has complied with its responsibilities arising from section 38(1)(a) of the Public Finance Management Act, 1999 (Act 1 of 1999) and Treasury Regulation 3.1.13.

#### **4. EFFECTIVENESS OF INTERNAL CONTROL**

- 4.1 The system of internal control is effective as the report of the Auditor-General did not contain any significant or material non-compliance with prescribed policies and procedures.
- 4.2 However, the Department has not implemented any system of risk management. The internal control systems are therefore not based on an assessment of key risks and such internal control systems can therefore not be regarded as effective.
- 4.3 The Audit Committee noted that no Internal Audit was performed at this Department during the year under review and recommends that corrective measures be instituted through the audit plan as a matter of urgency.

#### **5. EVALUATION OF FINANCIAL STATEMENTS**

- 5.1 The Audit Committee has reviewed the Auditor-General's report and discussed the audited annual financial statements included in the annual report with the Auditor-General.
- 5.2 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.



(JA JARVIS)

CHAIRPERSON OF THE WESTERN CAPE PROVINCIAL GOVERNMENT SHARED AUDIT COMMITTEE

6 August 2003

# *PART FOUR*

## *Annual Financial Statements*

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

Management report and approval	45
Report of the Auditor-General	52
Statement of accounting policies and related matters	55
Appropriation statement	60
Notes to the appropriation statement	67
Income statement	69
Balance sheet	70
Statement of changes in net assets/equity	71
Cash flow statement	72
Notes to the annual financial statements	73
Annexures	83

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**MANAGEMENT REPORT  
FOR THE YEAR ENDED 31 MARCH 2003**

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

**1. GENERAL REVIEW OF THE STATE OF FINANCIAL  
AFFAIRS**

This department formed part of the Department of Planning, Local Government and Housing (Vote 8) during the first four months of the 2002/03 financial year. A decision was taken by Cabinet on 9 July 2002 to split Vote 8 into two new departments, namely the Department of Housing (Vote 8) and the Department of Local Government (Vote 12), and to incorporate the Planning function into the new Department of Environmental Affairs and Development Planning (Vote 9), with effect from 1 August 2002. As a result of the split and particularly the time of the split, the budget and expenditure in respect of the period April 2002 till July 2002 of the newly established Vote 12 are reflected under the Department of Housing (Vote 8) and will be reported and accounted for in the annual report of the aforementioned vote, but the performance thereof will be reported under Part 2 of this annual report. The balance of the originally appropriated budget was transferred to the Department of Local Government by means of the 2002/03 Adjustments Estimate.

The transformation of local government as provided for in National legislation formed a large part of the agenda during the 2002/03 financial year. The department played an important facilitating and supporting role through interpretation, advice and the distribution of guiding documents and draft policies. Formal liaison structures played a very important role in this process. The Provincial Advisory Forum (political) and the supporting technical structure were fully utilised for this purpose. Transformation questionnaires served as a useful tool to keep up to speed and plan support initiatives.

Developmental Local Government was promoted through a training programme, which was developed and presented with the co-operation of the School of Public and Development Management at the University of Stellenbosch. Thirty-five officials of municipalities attended this programme. The use of the main tool for developmental local government, namely the Integrated Development Plan (IDP), was promoted through continued technical and financial support. All IDP's were completed.

Co-ordination of the Integrated Sustainable Rural Development Programme (ISRDP) (Central Karoo as node) and the Urban Renewal Programme (URP), with Khayelitsha and Mitchell's Plain as nodes, on behalf of the national Department of Provincial and Local Government, became the responsibility of this department as mandated by Cabinet. A new political champion for these endeavours in the Province; the new Premier, also came on board during the year. The ISRDP node kicked off with 16 anchor projects funded to the tune of R42,9 million. During July, two anchor projects were identified for the URP nodes, namely the development of the Central Business Districts of Khayelitsha and Mitchell's Plain, respectively.

# WESTERN CAPE PROVINCE

## DEPARTMENT OF LOCAL GOVERNMENT

### VOTE 12

A training initiative for senior municipal officials with regard to administrative law, project management and diversity management was launched in co-operation with the Cape Administrative Academy. Twenty-eight officials attended this course. Other training initiatives focused on the provision of infrastructure and financial management.

The long-standing dilemma with the future of Karatara and environs received a lot of attention and a deal was brokered by the department whereby Knysna municipality took responsibility for service delivery.

The viability of municipalities was monitored on an ongoing basis and four reports were submitted to the Minister of Local Government. Eleven management support programmes were implemented at municipalities in distress; with very positive results.

In the interest of legislative clarity at both the provincial and local spheres of government, and to give full effect to the constitutional mandate of the Province, the basis for provincial legislation has been laid by way of comprehensive constitutional research by constitutional experts. The Determination of Types of Municipalities Act, 2000 was amended by the Provincial Legislature so as to include the executive mayoral system. A potential crisis with the possible invalidity of the Western Cape Valuation Ordinance, 1993, was averted through co-operation with the City of Cape Town and the national Department and the subsequent amendment of the Local Government Municipal Structures Act; 1998. Inputs were made towards various drafts of national legislation not only in writing but also by means of active participation in the relevant provincial and national portfolio committees.

On disaster management the Universities of the Free State and Cape Town were appointed to do a risk and vulnerability assessment in the Province to identify high-risk areas. Financial support to the value of R1,7 million was given to the City of Cape Town for the period from December 2002 to March 2003 to keep a fire fighting helicopter on standby during the summer.

A computer based management support system has been developed and rolled out at all municipalities to enhance disaster management in the field. In addition, financial support was provided to four municipalities to finance nine fire-fighting trolleys for informal settlements as part of a co-operation agreement with a municipality in Bavaria, Germany. This is a pilot to test the viability of this type of approach.

The Consolidated Municipal Infrastructure Programme (CMIP) was implemented with great success in the year under review. Counter funding to the value of R52 million by municipalities represents the highest figure achieved by any province in the country.

#### **1.1 SPENDING TRENDS**

A total amount of R55 590 000 was appropriated in the adjustments estimate. This amount includes an amount of R55 104 000 that was transferred from Vote 8 in respect of the balance of the originally appropriated budget. Also included in the total adjusted budget is an amount of R486 000 that represents a new allocation to accommodate inflation related costs with regard to the conditional grant: Consolidated municipal infrastructure programme. The following reflects the budget allocation per programme:

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**Budget allocation**

	<b>R'000</b>
<b>Total</b>	<b>55 590</b>
Administration	4 602
Local Government Legislation and Administration	2 326
Local Government Development	12 856
Local Government Finance	27 189
Consolidated Municipal Infrastructure Programme	8 617
Special functions: Authorised losses	

**Underspending**

	<b>R'000</b>
<b>Total</b>	<b>17 774</b>
Administration	529
Local Government Legislation and Administration	292
Local Government Development	1 617
Local Government Finance	15 194
Consolidated Municipal Infrastructure Programme	142

Due to the fact that the department was newly created on 1 August 2002, no comparative figures are available for the previous year and therefore year on year spending trend comparisons cannot be provided.

**1.2 UNDER/(OVER) SPENDING**

Reasons for underspending

**Programme 1: Administration**

Saving due to agency service rendered by the Department of Housing resulting in savings on administrative costs, stores and livestock and equipment.

**Programme 2: Local Government Legislation and Administration**

Saving due to the non-appointment of consultants for the compilation of the Provincial Act on Local Government.

**Programme 3: Local Government Development**

Saving due to municipalities not submitting invoices for integrated development plans.

# WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT VOTE 12

## **Programme 4: Local Government Finance**

Saving due to the late approval of management support programme business plans by the Department of Provincial and Local Government.

### **Actions taken or planned to avoid recurrence**

Continued pressure on the national department will hopefully improve the situation and enable us to spend the full allocation in the financial year, with business plans approved timeously.

## **2. SERVICES RENDERED BY THE DEPARTMENT**

### **2.1 The department rendered the following services:**

- Advisory service on the application of local government legislation.
- Formulation of appropriate provincial legislation on local government.
- Execution of legislation.
- Technical support with the review of integrated development plans.
- Provincial disaster management.
- Support with municipal valuations.
- Co-ordination of ISRDP and URP.
- Conduct research initiatives in respect of local government.
- Support with the implementation of performance management of municipalities.
- Promotion and co-ordination of internal and external training initiatives.
- Capacity building within local government.
- Facilitating the transfer of functions and powers between the provincial and local government spheres.
- The implementation and maintenance of inter-governmental fora for good governance and sound relations.
- Implementation of management support programmes.
- Promoting developmental local government.

### **2.2 Tariff policy**

None of the services rendered by the department were subject to any tariff.

### **2.3 Free services**

This department rendered no free services which would have yielded significant revenue had a tariff been charged.



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**3. CAPACITY CONSTRAINTS**

Capacity constraints were mainly evident in the support services of the department. For the period under review, the Department of Housing rendered centralised support services to this department on an agency basis.

**4. UTILISATION OF DONOR FUNDS**

No donor funds were received or utilised by the department.

**5. PUBLIC ENTITIES**

The department has no public entities reporting to it.

**6. OTHER ORGANISATIONS TO WHOM TRANSFER  
PAYMENTS HAVE BEEN MADE**

All transfer payments and the purposes for the payments made are reported in Annexures 1B and 1C of the Notes to the annual Financial Statements.

Accountability arrangements in place on each transfer payment made, are stipulated in the individual agreements with the entities receiving the transfer payments.

**7. PUBLIC/PRIVATE PARTNERSHIPS (PPP)**

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

**8. CORPORATE GOVERNANCE ARRANGEMENTS**

For the period under review, the Department of Housing rendered centralised financial services to this department on an agency basis. The Chief Financial Officer (CFO) of the Department of Housing assisted the Accounting Officer in his responsibilities as set out in part 2 of Chapter 5 of the PFMA.

With reference to internal control systems the department was fully reliant on the agency department for compliance with prescripts.

The department made use of a centralised internal audit unit and audit committee.

New Tender Board delegations were issued placing additional responsibilities on the department.

A Fraud Prevention Plan was compiled on 10 February 2003 in terms of the Public Finance Management Act, 1999 (Act No 1 of 1999) (as amended) and has as objective that:

- (a) the policies, procedures, rules, regulations and other government prescripts, including human resources policies be strictly adhered to;
- (b) the disciplinary code and procedures be applied and supervisors be trained in the application thereof;
- (c) the prescribed internal control measures within policies, procedures, rules, regulations and other official prescripts be applied and adhered to;

## WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT VOTE 12

- (d) a risk management plan be implemented in liaison with the Internal Audit Unit of Provincial Administration: Western Cape;
- (e) structured programme of ongoing risk assessment be introduced and maintained;
- (f) a Fraud Prevention Committee be established with terms of reference as set out in appendix 4 of the Plan;
- (g) the code of ethics and business conduct, as well as the Code of Conduct for the Public Service be respected and applied by all officials;
- (h) the Fraud Policy and Response Plan be supported and adhered to and that officials foster a culture of zero tolerance to corruption, fraud, theft and mal-administration;
- (i) record be kept in respect of all allegations of fraud, as well as losses suffered or damages through criminal or possible criminal acts or omissions. In this regard officials were made aware of the Fraud Line 080-122-6545;
- (j) physical security be tightened. Officials again be made aware of the Search Policy;
- (k) an awareness campaign be lodged, firstly by means of educational workshops and secondly by the use of posters, and
- (l) ongoing maintenance and review of the Plan be done.

### **9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED**

No activities were discontinued/are to be discontinued.

### **10. NEW/PROPOSED ACTIVITIES**

No new activities were proposed.

### **11. EVENTS AFTER THE ACCOUNTING DATE**

No events took place or came about since 31 March 2003 that have any effect on the financial statements.

### **12. PROGRESS WITH FINANCIAL MANAGEMENT IMPROVEMENTS**

All staff members were introduced to the new financial legislation by means of information sessions by the Provincial Treasury, distribution of applicable documentation and training sessions in order to ensure that they have a background knowledge of the norms and standards of the Public Finance Management Act (PFMA), the National Treasury Regulations (NTR's) and the Provincial Treasury Instructions (PTI's). All newly appointed staff will in future also undergo similar training and personnel will also be nominated for courses presented by the Provincial Treasury. Structured departmental information sessions were also introduced in the middle of the financial year.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

Regular reporting was done to the Provincial Treasury to ensure that the department is on track with the implementation of the PFMA.

Financial processes and procedures in respect of the Treasury Instructions and the Exchequer Act have been adapted and issued in terms of the PFMA and NTR's. As the need arises, new procedures are developed and issued in terms of the new legislation/regulations.

**13. PERFORMANCE INFORMATION**

Performance is assessed on a quarterly basis by means of the evaluation of individual performance agreements inclusive of work plans derived from the objectives and outputs contained in the Strategic Plan of the department. Continuous monitoring is done through bi-weekly management meetings and meetings with the Executive Authority. A strategic planning feedback session is held at least once a year to ascertain progress with implementation.

**APPROVAL**

The annual financial statements set out on pages 55 to 89 have been approved by the Accounting Officer.



**(CO DU PREEZ)  
ACCOUNTING OFFICER**

29 July 2003

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12



AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE  
PROVINCIAL PARLIAMENT  
OF THE WESTERN CAPE ON THE FINANCIAL  
STATEMENTS OF THE DEPARTMENT OF LOCAL  
GOVERNMENT (VOTE 12)  
FOR THE YEAR ENDED 31 MARCH 2003

## 1. AUDIT ASSIGNMENT

The financial statements as set out on pages 55 to 89, for the year ended 31 March 2003, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No. 12 of 1995). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

## 2. NATURE AND SCOPE

### 2.1 Audit of financial statements

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

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

Furthermore, an audit includes an examination, on a test basis, of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.

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

# WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT VOTE 12

## 3. AUDIT OPINION

In my opinion, the financial statements fairly present, in all material respects, the financial position of the department of at 31 March 2003 and the results of its operations and cash flows for the year then ended, in accordance with prescribed accounting practice and in the manner required by the relevant act.

## 4. EMPHASIS OF MATTER

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

### 4.1 Matters affecting the financial statements

#### 4.1.1 *Personnel expenditure*

An unreconciled difference of R147 690 was found between personnel expenditure for the year according to the Persal system and the Financial Management System (FMS) as at 31 March 2003.

In a reply to a management letter, the accounting officer indicated that the department is currently in the process of analysing the above-mentioned difference. However, as this is a time consuming exercise and all reports for the year will have to be worked through, the reconciliation will not be completed in time.

Furthermore, it was indicated that in respect of the current financial year (2003-04), the necessary controls have been put into place to reconcile Persal to the FMS on a monthly basis. This however is not seen as a final solution, although it will alleviate the transversal problem with the system.

### 4.2 Matters not affecting the financial statements

#### 4.2.1 *Internal audit*

During the year under review, the provincial internal audit directorate did not perform any audits at this department.

A query in this regard was addressed to the accounting officer of Vote 1 - Premier, Director-General and Corporate Services, the department within which internal audit resorts. In response it was indicated that, although the component was fully funded, the internal audit directorate could not perform audits at the department concerned due to a lack of capacity. Vacant posts were advertised during March 2002, but due to restructuring, a moratorium was imposed by cabinet on the filling of vacant posts. As a result, internal audit's efforts were focussed mainly on the departments of Social Services and Poverty Alleviation, Education and Health, being the three high-risk departments. This decision was based on a financial risk assessment that indicated that 80% of the provincial budget for the 2002-03 financial year was allocated to the aforementioned departments. All available personnel resources were therefore allocated to the internal audits of those departments to provide maximum coverage.

## WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT VOTE 12

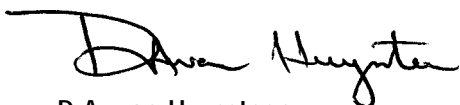
It was further indicated that, with effect from 1 August 2003, the internal audit component would be transferred to the Provincial Treasury and that steps were underway to ensure that a functional internal audit service will be rendered during the course of the 2003-04 financial year.

### **4.2.2 Audit committee**

- (i) On 4 May 2000, the provincial Minister of Finance, in accordance with the powers assigned to him in terms of sections 17(2) and 77(c) of the PFMA established a centralised audit committee for the Western Cape Province for a period of two years. The audit committee charter required that the audit committee meet not less than four times per calendar year to address internal audit issues. However, with effect from September 2001, the audit committee has not been operational due to an inability to appoint qualified members.
- (ii) At a cabinet meeting held on 30 April 2003, a shared audit committee consisting of five members, was appointed for the period from 1 April 2003 to 31 March 2005. The shared audit committee would also perform all its assigned functions in terms of the national treasury regulations for all departments retrospectively from 1 April 2002 to 31 March 2003. Thereafter the departments of Social Services and Poverty Alleviation, Education and Health would each have to appoint their own audit committee as previously resolved by cabinet. The shared audit committee's functions would continue for the remainder of the departments of the Western Cape Province.

## 5. APPRECIATION

The assistance rendered by the staff of the department during the audit is sincerely appreciated.



D.A. van Huyssteen  
*for Auditor-General*  
Bellville

31 July 2003

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**STATEMENT OF ACCOUNTING POLICIES AND  
RELATED MATTERS  
FOR THE YEAR ENDED 31 MARCH 2003**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material respects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

**1. BASIS OF PREPARATION**

The financial statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The reporting entity is in transition from reporting on a cash basis of accounting to reporting on an accrual basis of accounting. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid. Under the accrual basis of accounting transactions and other events are recognised when incurred and not when cash is received or paid.

**2. REVENUE**

Voted funds are the amounts appropriated to a department in accordance with the final budget known as the Adjusted Estimates of Provincial Expenditure. Unexpended voted funds are surrendered to the Provincial Revenue Fund.

Interest and dividends received are recognised upon receipt of the funds, and no accrual is made for interest or dividends receivable from the last receipt date to the end of the reporting period. They are recognised as revenue in the financial statements of the department and then transferred to the Provincial Revenue Fund.

**3. DONOR AID**

Donor Aid is recognised in the income statement in accordance with the cash basis of accounting.

**4. CURRENT EXPENDITURE**

Current expenditure is recognised in the income statement when the payment is made.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**5. UNAUTHORISED, IRREGULAR, AND FRUITLESS AND WASTEFUL EXPENDITURE**

Unauthorised expenditure means:

- the overspending of a vote or a main division within a vote, or
- expenditure that was not made in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is treated as a current asset in the balance sheet until such expenditure is recovered from a third party or funded from future voted funds.

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with a requirement of any applicable legislation, including:

- the Public Finance Management Act,
- the State Tender Board Act, or any regulations made in terms of this act, or
- any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is treated as expenditure in the income statement.

Fruitless and wasteful expenditure means expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure must be recovered from a responsible official (a debtor account should be raised), or the vote if responsibility cannot be determined.

**6. DEBTS WRITTEN OFF**

Debts are written off when identified as irrecoverable. No provision is made for irrecoverable amounts.

**7. CAPITAL EXPENDITURE**

Expenditure for physical items on hand on 31 March 2003 to be consumed in the following financial year, is written off in full when they are received and are accounted for as expenditure in the income statement. Physical assets (fixed assets and movable assets) acquired are expensed i.e. written off in the income statement when the payment is made.

**8. INVESTMENTS**

Marketable securities are carried at market value. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where in the opinion of the directors, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

Increases in the carrying amount of marketable securities classified as non-current assets are credited to revaluation and other reserves in shareholders' equity. Decreases that offset previous increases of the



# WESTERN CAPE PROVINCE

## DEPARTMENT OF LOCAL GOVERNMENT

### VOTE 12

same marketable security are charged to the income statement. Increases/decreases in the carrying amount of marketable securities classified as current assets are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. On disposal of a marketable security classified as a non-current asset, amounts in revaluation and other reserves relating to that marketable security, are transferred to retained earnings.

#### 9. INVESTMENTS IN CONTROLLED ENTITIES

Investments in controlled entities are those entities where the reporting entity has the ability to exercise any of the following powers to govern the financial and operating policies of the entity in order to obtain benefits from its activities:

- To appoint or remove all, or the majority of, the members of that entity's board of directors or equivalent governing body;
- To appoint or remove the entity's chief executive officer;
- To cast all, or the majority of, the votes at meetings of that board of directors or equivalent governing body; or
- To control all, or the majority of, the voting rights at a general meeting of that entity.

Investments in controlled entities are shown at cost.

#### 10. RECEIVABLES

Receivables are not normally recognised under the cash basis of accounting. However, receivables included in the balance sheet arise from cash payments that are recoverable from another party.

Receivables for services delivered are not recognised in the balance sheet as a current asset or as income in the income statement, as the financial statements are prepared on a cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

#### 11. PAYABLES

Payables are not normally recognised under the cash basis of accounting. However, payables included in the balance sheet arise from cash receipts that are due to the Provincial Revenue Fund or another party.

#### 12. PROVISIONS

A provision is a liability of uncertain timing or amount. Provisions are not normally recognised under the cash basis of accounting, but are disclosed separately in the notes to enhance the usefulness of the financial statements.

# WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT VOTE 12

## 13. LEASE COMMITMENTS

Lease commitments for the period remaining from the accounting date until the end of the lease contract are disclosed as a note to the financial statements. These commitments are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on the cash basis of accounting.

## 14. ACCRUALS

This amount represents goods/services that have been delivered, but no invoice has been received from the supplier at year end, or an invoice has been received but remains unpaid at year end. These amounts are not recognised in the balance sheet as a liability or as expenditure in the income statement as the financial statements are prepared on a cash basis of accounting, but are however disclosed.

## 15. EMPLOYEE BENEFITS

### **Short-term employee benefits**

The cost of short-term employee benefits is expensed in the income statement in the reporting period that the payment is made. Short-term employee benefits, that give rise to a present legal or constructive obligation, are deferred until they can be reliably measured and then expensed. Details of these benefits and the potential liabilities are disclosed as a note to the financial statements and are not recognised in the income statement.

### **Termination benefits**

Termination benefits are recognised and expensed only when the payment is made.

### **Retirement benefits**

The department provides retirement benefits for its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

### **Medical benefits**

The department provides medical benefits for its employees through defined benefit plans. These benefits are funded by employer and/or employee contributions. Employer contributions to the fund are expensed when money is paid to the fund. No provision is made for medical benefits in the financial statements of the department.

# WESTERN CAPE PROVINCE

## DEPARTMENT OF LOCAL GOVERNMENT

### VOTE 12

Post retirement medical benefits for retired civil servants are expensed when the payment is made to the fund.

#### **16. CAPITALISATION RESERVE**

The capitalisation reserve represents an amount equal to the value of the investments and/or loans capitalised, or deposits paid on behalf of employees of a foreign mission, for the first time in the previous financial year. On disposal, repayment or recovery, such amounts are transferable to the Revenue Fund.

#### **17. RECOVERABLE REVENUE**

Recoverable revenue represents payments made and recognised in the income statement as an expense in previous years, which have now become recoverable from a debtor due to non-performance in accordance with an agreement. Repayments are transferred to the Revenue Fund as and when the repayment is received.

#### **18. COMPARATIVE FIGURES**

In terms of the new departmentalisation model for the Western Cape Provincial Administration, the Department of Planning Local Government and Housing was unbundled through the establishment of the Department of Environmental Affairs and Development Planning, Department of Housing and the Department of Local Government with effect from 1 August 2002. Accordingly the Department of Local Government was a new Department, established during the financial year and therefore no comparative figures are available.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2003

Programme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>1 Administration</b>	<b>4,128</b>	<b>474</b>	<b>4,602</b>	<b>4,073</b>	<b>529</b>	<b>88.50%</b>		
Current	3,818	474	4,292	3,837	455	89.40%		
Capital	310		310	236	74	76.13%		
<b>2 Local government legislation and administration</b>	<b>2,575</b>	<b>(249)</b>	<b>2,326</b>	<b>2,034</b>	<b>292</b>	<b>87.45%</b>		
Current	2,525	(249)	2,276	2,024	252	88.93%		
Capital	50		50	10	40	20.00%		
<b>3 Local Government development</b>	<b>12,856</b>		<b>12,856</b>	<b>11,239</b>	<b>1,617</b>	<b>87.42%</b>		
Current	11,606		11,606	10,049	1,557	86.58%		
Capital	1,250		1,250	1,190	60	95.20%		
<b>4 Local Government finance</b>	<b>27,414</b>	<b>(225)</b>	<b>27,189</b>	<b>11,995</b>	<b>15,194</b>	<b>44.12%</b>		
Current	27,364	(225)	27,139	11,995	15,144	44.20%		
Capital	50		50		50	0.00%		
<b>5 Consolidated Municipal Infrastructure Programme</b>	<b>8,617</b>		<b>8,617</b>	<b>8,475</b>	<b>142</b>	<b>98.35%</b>		
Current	8,617	(5)	8,612	8,470	142	98.35%		
Capital		5	5	5		100.00%		
<b>Total</b>	<b>55,590</b>		<b>55,590</b>	<b>37,816</b>	<b>17,774</b>	<b>68.03%</b>		

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2003

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Current</b>	<b>53,980</b>	<b>(5)</b>	<b>53,975</b>	<b>36,375</b>	<b>17,600</b>	<b>67.39%</b>		
Personnel	8,585		8,585	8,438	147	98.29%		
Transfer payments	31,830		31,830	15,974	15,856	50.19%		
Other	13,565	(5)	13,560	11,963	1,597	88.22%		
<b>Capital</b>	<b>1,610</b>	<b>5</b>	<b>1,615</b>	<b>1,441</b>	<b>174</b>	<b>89.23%</b>		
Acquisition of capital assets	1,610	5	1,615	1,441	174	89.23%		
<b>Total</b>	<b>55,590</b>		<b>55,590</b>	<b>37,816</b>	<b>17,774</b>	<b>68.03%</b>		

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
Personnel	8,585		8,585	8,438	147	98.29%		
Administrative	1,135	179	1,314	1,034	280	78.69%		
Stores and livestock	568	97	665	310	355	46.62%		
Equipment	1,779	(17)	1,762	1,562	200	88.65%		
Professional and special services	11,473	(280)	11,193	10,257	936	91.64%		
Transfer payments	31,830		31,830	15,974	15,856	50.19%		
Miscellaneous	220	21	241	241		100.00%		
<b>Total</b>	<b>55,590</b>		<b>55,590</b>	<b>37,816</b>	<b>17,774</b>	<b>68.03%</b>		

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

DETAIL PER PROGRAMME 1: ADMINISTRATION  
FOR THE YEAR ENDED 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Corporate affairs</b>	<b>2,579</b>	<b>155</b>	<b>2,734</b>	<b>2,355</b>	<b>379</b>	<b>86.14%</b>		
Current	2,269	211	2,480	2,174	306	87.66%		
Capital	310	(56)	254	181	73	71.26%		
<b>Office of the Minister of Local government</b>	<b>1,549</b>	<b>319</b>	<b>1,868</b>	<b>1,718</b>	<b>150</b>	<b>91.97%</b>		
Current	1,549	263	1,812	1,663	149	91.78%		
Capital		56	56	55	1			
<b>Total</b>	<b>4,128</b>	<b>474</b>	<b>4,602</b>	<b>4,073</b>	<b>529</b>	<b>88.50%</b>		

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Current</b>	<b>3,818</b>	<b>474</b>	<b>4,292</b>	<b>3,837</b>	<b>455</b>	<b>89.40%</b>		
Personnel	2,154	474	2,628	2,627	1	99.96%		
Other	1,664		1,664	1,210	454	72.72%		
<b>Capital</b>	<b>310</b>		<b>310</b>	<b>236</b>	<b>74</b>	<b>76.13%</b>		
Acquisition of capital assets	310		310	236	74	76.13%		
<b>Total</b>	<b>4,128</b>	<b>474</b>	<b>4,602</b>	<b>4,073</b>	<b>529</b>	<b>88.50%</b>		

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
Personnel	2,154	474	2,628	2,627	1	99.96%		
Administration	455	161	616	555	61	90.10%		
Stores and livestock	524	(21)	503	159	344	31.61%		
Equipment	359		359	285	74	79.39%		
Professional and special services	616	(161)	455	406	49	89.23%		
Miscellaneous	20	21	41	41		100.00%		
<b>Total</b>	<b>4,128</b>	<b>474</b>	<b>4,602</b>	<b>4,073</b>	<b>529</b>	<b>88.50%</b>		

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

DETAIL PER PROGRAMME 2: LOCAL GOVERNMENT  
LEGISLATION AND ADMINISTRATION  
FOR THE YEAR ENDED 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Local government legislation and administration</b>	<b>2,575</b>	<b>(249)</b>	<b>2,326</b>	<b>2,034</b>	<b>292</b>	<b>87.45%</b>		
Current	2,525	(249)	2,276	2,024	252	88.93%		
Capital	50		50	10	40	20.00%		
<b>Total</b>	<b>2,575</b>	<b>(249)</b>	<b>2,326</b>	<b>2,034</b>	<b>292</b>	<b>87.45%</b>		

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Current</b>	<b>2,525</b>	<b>(249)</b>	<b>2,276</b>	<b>2,024</b>	<b>252</b>	<b>88.93%</b>		
Personnel	1,808	(249)	1,559	1,558	1	99.94%		
Other	717		717	466	251	64.99%		
<b>Capital</b>	<b>50</b>		<b>50</b>	<b>10</b>	<b>40</b>	<b>20.00%</b>		
Acquisition of capital assets	50		50	10	40	20.00%		
<b>Total</b>	<b>2,575</b>	<b>(249)</b>	<b>2,326</b>	<b>2,034</b>	<b>292</b>	<b>87.45%</b>		

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
Personnel	1,808	(249)	1,559	1,558	1	99.94%		
Administrative	144	(16)	128	63	65	49.22%		
Stores and livestock	21		21	11	10	52.38%		
Equipment	53	16	69	29	40	42.03%		
Professional and special services	349		349	173	176	49.57%		
Miscellaneous	200		200	200		100.00%		
<b>Total</b>	<b>2,575</b>	<b>(249)</b>	<b>2,326</b>	<b>2,034</b>	<b>292</b>	<b>87.45%</b>		

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

DETAIL PER PROGRAMME 3:  
LOCAL GOVERNMENT DEVELOPMENT  
FOR THE YEAR ENDED 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Local government development</b>	<b>12,856</b>		<b>12,856</b>	<b>11,239</b>	<b>1,617</b>	<b>87.42%</b>		
Current	11,606		11,606	10,049	1,557	86.58%		
Capital	1,250		1,250	1,190	60	95.20%		
<b>Total</b>	<b>12,856</b>		<b>12,856</b>	<b>11,239</b>	<b>1,617</b>	<b>87.42%</b>		

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Current</b>	<b>11,606</b>		<b>11,606</b>	<b>10,049</b>	<b>1,557</b>	<b>86.58%</b>		
Personnel	2,513		2,513	2,380	133	94.71%		
Transfer payments	7,094		7,094	6,072	1,022	85.59%		
Other	1,999		1,999	1,597	402	79.89%		
<b>Capital</b>	<b>1,250</b>		<b>1,250</b>	<b>1,190</b>	<b>60</b>	<b>95.20%</b>		
Acquisition of capital assets	1,250		1,250	1,190	60	95.20%		
<b>Total</b>	<b>12,856</b>		<b>12,856</b>	<b>11,239</b>	<b>1,617</b>	<b>87.42%</b>		

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
Personnel	2,513		2,513	2,380	133	94.71%		
Administrative	298	51	349	348	1	99.71%		
Stores and livestock	14	101	115	115		100.00%		
Equipment	1,277	(38)	1,239	1,209	30	97.58%		
Professional and special services	1,660	(114)	1,546	1,115	431	72.12%		
Transfer payments	7,094		7,094	6,072	1,022	85.59%		
<b>Total</b>	<b>12,856</b>		<b>12,856</b>	<b>11,239</b>	<b>1,617</b>	<b>87.42%</b>		



WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

DETAIL PER PROGRAMME 4:  
LOCAL GOVERNMENT FINANCE  
FOR THE YEAR ENDED 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Local government finance</b>	<b>27,414</b>	<b>(225)</b>	<b>27,189</b>	<b>11,995</b>	<b>15,194</b>	<b>44.12%</b>		
Current	27,364	(225)	27,139	11,995	15,144	44.20%		
Capital	50		50		50	0.00%		
<b>Total</b>	<b>27,414</b>	<b>(225)</b>	<b>27,189</b>	<b>11,995</b>	<b>15,194</b>	<b>44.12%</b>		

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Current</b>	<b>27,414</b>	<b>(225)</b>	<b>27,189</b>	<b>11,995</b>	<b>15,194</b>	<b>44.12%</b>		
Personnel	2,110	(225)	1,885	1,873	12	99.36%		
Transfer payments	24,736		24,736	9,902	14,834	40.03%		
Other	568		568	220	348	38.73%		
<b>Total</b>	<b>27,414</b>	<b>(225)</b>	<b>27,189</b>	<b>11,995</b>	<b>15,194</b>	<b>44.12%</b>		

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
Personnel	2,110	(225)	1,885	1,873	12	99.36%		
Administrative	238	(17)	221	68	153	30.77%		
Stores and livestock	9	17	26	25	1	96.15%		
Equipment	90		90	34	56	37.78%		
Professional and special services	231		231	93	138	40.26%		
Transfer payments	24,736		24,736	9,902	14,834	40.03%		
<b>Total</b>	<b>27,414</b>	<b>(225)</b>	<b>27,189</b>	<b>11,995</b>	<b>15,194</b>	<b>44.12%</b>		

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

DETAIL PER PROGRAMME 5:  
CONSOLIDATED MUNICIPAL INFRASTRUCTURE  
PROGRAMME FOR THE YEAR ENDED 31 MARCH 2003

Programme per subprogramme	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Consolidated Municipal Infrastructure Programme</b>	<b>8,617</b>		<b>8,617</b>	<b>8,475</b>	<b>142</b>	<b>98.35%</b>		
Current	8,617	(5)	8,612	8,470	142	98.35%		
Capital		5	5	5		100.00%		
<b>Total</b>	<b>8,617</b>		<b>8,617</b>	<b>8,475</b>	<b>142</b>	<b>98.35%</b>		

Economic classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
<b>Current</b>	<b>8,617</b>	<b>(5)</b>	<b>8,612</b>	<b>8,470</b>	<b>142</b>	<b>98.35%</b>		
Other	8,617	(5)	8,612	8,470	142	98.35%		
<b>Capital</b>		<b>5</b>	<b>5</b>	<b>5</b>		<b>100.00%</b>		
Acquisition of capital assets		5	5	5		100.00%		
<b>Total</b>	<b>8,617</b>		<b>8,617</b>	<b>8,475</b>	<b>142</b>	<b>98.35%</b>		

Standard item classification	2002/03						2001/02	
	Adjusted Appropriation R'000	Virement R'000	Revised Allocation R'000	Actual expenditure R'000	Savings (Excess) R'000	Expenditure as % of revised allocation	Revised Allocation R'000	Actual expenditure R'000
Equipment		5	5	5		100.00%		
Professional and special services	8,617	(5)	8,612	8,470	142	98.35%		
<b>Total</b>	<b>8,617</b>		<b>8,617</b>	<b>8,475</b>	<b>142</b>	<b>98.35%</b>		

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

NOTES TO THE APPROPRIATION STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2003

**1. Detail of current and capital transfers as per Appropriation Act (after Virement):**

Detail of these transactions can be viewed in annexures 1A, 1B, and 1C 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 (Charge to Provincial Revenue Fund) to the annual financial statements.

**3. Explanations of material variances from Amount Voted (after virement):**

**3.1 Per programme:**

Programme 1: Administration: Saving due to agency service rendered by the Department of Housing resulting in savings on administrative costs, stores and livestock and equipment.

Programme 2: Local Government Legislation and administration: Saving due to the non-appointment of consultants for the compilation of the Provincial Act on Local Government.

Programme 3: Local Government Development: Saving due to municipalities not submitting invoices for integrated development plans.

Programme 4: Saving due to the late approval of management support programme business plans by the Department of Provincial and Local Government.

**3.2 Per standard item:**

Administrative costs: Saving due to agency service rendered by the Department of Housing resulting in savings on administrative costs.

Stores and livestock: Saving due to agency service rendered by the Department of Housing resulting in savings on stores and livestock.

# WESTERN CAPE PROVINCE DEPARTMENT OF LOCAL GOVERNMENT VOTE 12

Equipment: Saving due to agency service rendered by the Department of Housing resulting in savings on equipment.

Professional and special services: Saving due to the non-appointment of consultants for the compilation of the Provincial Act on Local Government.

Transfer payments: Saving due to municipalities not submitting invoices for integrated development plans and the late approval of management support programme business plans by the Department of Provincial and Local Government.

#### 4. Reconciliation of appropriation statement to income statement:

	2002/03	2001/02
	R'000	R'000
Total expenditure per Appropriation Statement	37,816	
Actual expenditure per Income Statement	<u>37,816</u>	

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**INCOME STATEMENT  
(STATEMENT OF FINANCIAL PERFORMANCE)  
FOR THE YEAR ENDED 31 MARCH 2003**

	Note	2002/03 R'000	2001/02 R'000
<b>REVENUE</b>			
<b>Voted funds</b>		<b>55,590</b>	
Charge to Provincial Revenue Fund	1	55,590	
<b>Non voted funds</b>		<b>288</b>	
Other revenue to be surrendered to the revenue fund	2	288	
<b>TOTAL REVENUE</b>		<b>55,878</b>	
<b>EXPENDITURE</b>			
<b>Current</b>		<b>36,375</b>	
Personnel	3	8,438	
Administrative		1,034	
Stores and livestock	4	310	
Machinery and Equipment	5	121	
Professional and special services	6	10,257	
Transfer payments	7	15,974	
Miscellaneous	8	241	
<b>Capital</b>		<b>1,441</b>	
Machinery and Equipment	5	1,441	
<b>TOTAL EXPENDITURE</b>		<b>37,816</b>	
<b>NET SURPLUS FOR THE YEAR</b>	9	<b>18,062</b>	

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

BALANCE SHEET  
(STATEMENT OF FINANCIAL POSITION)  
AT 31 MARCH 2003

ASSETS	Note	2002/03 R'000	2001/02 R'000
<b>Current assets</b>		<b>65</b>	
Receivables	10	65	
<b>Non-current assets</b>		<b>20,130</b>	
Investments	11	20,130	
<b>TOTAL ASSETS</b>		<b>20,195</b>	
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>20,188</b>	
Voted funds to be surrendered	12	17,774	
Revenue funds to be surrendered	13	6	
Bank overdraft	14	1,760	
Payables	15	648	
<b>TOTAL LIABILITIES</b>		<b>20,188</b>	
<b>NET ASSETS/LIABILITES</b>		<b>7</b>	
<b>EQUITY</b>		<b>7</b>	
Recoverable revenue		7	
<b>TOTAL EQUITY</b>		<b>7</b>	

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

STATEMENT OF CHANGES IN NETT ASSETS/EQUITY  
FOR THE YEAR ENDED 31 MARCH 2003

	Note	2002/03 R'000	2001/02 R'000
Recoverable revenue			
Debts raised		7	
Closing balance		<u>7</u>	
<b>TOTAL EQUITY</b>		<u><u>7</u></u>	

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2003

	Note	2002/03 R'000	2001/02 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flow generated by operating activities	16	19,507	
Cash generated (utilised) to (increase) decrease working capital	17	590	
Voted funds and Revenue funds surrendered	18	(286)	
<b>Net cash flow available from operating activities</b>		<b>19,811</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital Expenditure	5	(1,441)	
<b>Net cash flows from operating and investing activities</b>		<b>18,370</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>18,370</b>	
Cash and cash equivalents at beginning of period			
<b>Cash and cash equivalents at end of period</b>		<b>18,370</b>	



**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2003**

**1 Charge to Provincial Revenue Fund**

1.1 Included in the above are funds specifically and exclusively appropriated for the Department (Equitable Share):

Programmes	Total Appropriation 2002/03	Actual	Variance over/ (under)	Total Appropriation 2001/02
	R'000	R'000	R'000	R'000
1. Administration	4,128	4,128		
2. Local government legislation and administration	2,575	2,575		
3. Local government development	12,856	12,856		
4. Local government finance	27,414	27,414		
5. Consolidated municipal infrastructure programme (CMIP)	8,617	8,617		
<b>TOTAL</b>	<b>55,590</b>	<b>55,590</b>		

Included in the totals for "Total Appropriation" and "Actual" is the own revenue budget amounting to R4 000.

1.2 Conditional grants	Note	2002/03 R'000	2001/02 R'000
Total grants received	Annexure 1A	33,353	

1.3 The variances are explained in Annexure 1 A. Application for the roll-over of unspent funds were made to the Provincial Treasury.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

<b>2 Other revenue to be surrendered to the revenue fund</b>		<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
<b>Description</b>	<b>Note</b>		
Monies not prescribed by law/ordinances		11	
Parking		3	
Administration fees		2	
Other: Interest		6	
Miscellaneous			
Refunds previous years		281	
		<u>292</u>	
Less own revenue budget		(4)	
<b>Total own revenue collected</b>	13	<u><u>288</u></u>	
<b>3 Personnel</b>		<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
<b>3.1 Current expenditure</b>			
Appropriation to Executive and Legislature		491	
Basic salary costs		5,577	
Pension contributions		709	
Medical aid contributions		383	
Other salary related costs		1,278	
		<u>8,438</u>	
Average number of employees		55	
<b>Total Personnel Costs</b>		<u><u>8,438</u></u>	
<b>4 Stores and livestock</b>		<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
<b>4.1 Current expenditure</b>			
<b>Stores and livestock purchased during the year</b>			
Publications, printing and binding		112	
Stationery		86	
Photo copy paper		24	
Computer requisites		44	
Other		44	
<b>Total cost of stores and livestock</b>		<u><u>310</u></u>	

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**4.2 Stores and livestock on hand at year end  
(for disclosure purposes only)**

The Department of Housing provides an agency service i.r.o. stores to the Department and as such the Department has no stores on hand.

<b>5 Machinery and Equipment</b>		<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
	<b>Note</b>		
Current (Rentals, maintenance, etc.)		121	
Capital	5.1	1,441	
<b>Total current and capital expenditure</b>		<u><u>1,562</u></u>	

**5.1 Capital machinery and equipment analysed as follows:**

Computer equipment	1,231
Furniture and office equipment	197
Other machinery and equipment	13
<b>Total capital expenditure</b>	<u><u>1,441</u></u>

<b>6 Professional and special services</b>	<b>2002/03</b>	<b>2001/02</b>
	<b>R'000</b>	<b>R'000</b>

**6.1 Current expenditure**

Auditors' remuneration	180
Legal fees (State Attorney and private)	149
Contractors	13
Consultants and advisory services	9,458
Human Resource Development	442
Other	15
<b>Total Professional and special services</b>	<u><u>10,257</u></u>

<b>7 Transfer payments</b>	<b>2002/03</b>	<b>2001/02</b>
	<b>R'000</b>	<b>R'000</b>

	<b>Note</b>	
Total transfer payments made	Annexure 1B & 1C	15,974
		<u><u>15,974</u></u>

**7.1 Analysis of payments**

Current	15,974
	<u><u>15,974</u></u>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

8		2002/03	2001/02
Miscellaneous		R'000	R'000
<b>8.1</b>	<b>Current Expenditure</b>		
	Remissions, refunds and payments made as an act of grace	200	
	Gifts, donations and sponsorships made	1	
	Local Authorities Medical Aid Fund (LAMAF)	40	
	<b>Total miscellaneous expenditure</b>	<b>241</b>	
<b>8.2</b>	<b>Remissions, refunds and payments made as an act of grace</b>		
	<b>Nature of remissions, refunds and payments</b>		
	Drakenstein municipality	200	
		<b>200</b>	
<b>8.3</b>	<b>Gifts, donations and sponsorships paid in cash by the department (items expensed during the current year)</b>		
	<b>Nature of gifts, donations and sponsorships</b>		
	Provincial corporate gifts	1	
		<b>1</b>	
<b>9</b>	<b>Analysis of surplus</b>	<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
	Voted funds (including responsible revenue) to be surrendered to the PRF	17,774	
	Non voted funds	288	
	Other revenue to be surrendered to the Revenue Fund	288	
	<b>Total</b>	<b>18,062</b>	
<b>10</b>	<b>Receivables - current</b>	<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
	Amounts owing by other departments	4	
	Staff debtors	17	
	Other debtors	14	
	Advances	30	
		<b>65</b>	

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

10.1 Amounts of R7 000 (2002: Rnil) included above may not be recoverable, but has not been written off in the income statement.

<b>10.2 Age analysis – receivables current</b>	<b>2002/03</b>	<b>2001/02</b>
	<b>R'000</b>	<b>R'000</b>
Less than one year	51	
One to two years (List material amounts)	7	
More than two years (List material amounts)	7	
	<u>65</u>	
	<u><u>65</u></u>	
<b>10.3 Staff debtors</b>		
Personnel debt	17	
	<u>17</u>	
	<u><u>17</u></u>	
<b>10.4 Other debtors</b>		
Debtors: Provincial	7	
Loss control account	7	
	<u>14</u>	
	<u><u>14</u></u>	
<b>10.5 Advances</b>		
<b>Nature of advances</b>		
Subsistence and travel advances	30	
	<u>30</u>	
	<u><u>30</u></u>	
<b>11 Investments</b>	<b>2002/03</b>	<b>2001/02</b>
	<b>R'000</b>	<b>R'000</b>
<b>Investee</b>		
<b>Nature of investment</b>		
Provincial Treasury	Temporary investment	20,130
		<u>20,130</u>
		<u><u>20,130</u></u>
<b>12 Voted funds to be surrendered</b>	<b>2002/03</b>	<b>2001/02</b>
	<b>R'000</b>	<b>R'000</b>
Transfer from income statement less excess on own revenue budget	17,774	
Closing balance	<u>17,774</u>	
	<u><u>17,774</u></u>	

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

<b>13 Revenue funds to be surrendered</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Total revenue collected	2	292	
Paid during the year		(286)	
Closing balance		<u>6</u>	
<b>14 Bank overdraft</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Paymaster General Account (Exchequer account)		<u>1,760</u>	
<b>15 Payables – current</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
<b>Description</b>	<b>Note</b>		
Amounts owing to other departments		308	
Masakhane Project		311	
Other payables	15.1	29	
		<u>648</u>	
<b>15.1 Other payables</b>			
Receipt suspense account		3	
Persal control accounts (SARS, Medical funds, etc.)		26	
		<u>29</u>	
<b>16 Net cash flow generated by operating activities</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
	<b>Note</b>		
Net surplus as per Income Statement		18,062	
Adjusted for items separately disclosed		1,445	
Capital expenditure	5	1,441	
Own revenue budget		4	
Net cash flow generated by operating activities		<u>19,507</u>	
<b>17 Cash generated (utilised) to (increase)/decrease working capital</b>		<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
(Increase) in receivables – current		(58)	
Increase in payables		648	
		<u>590</u>	

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

<b>18 Voted funds and Revenue funds surrendered</b>		<b>2002/03</b>	<b>2001/02</b>
		<b>R'000</b>	<b>R'000</b>
	<b>Note</b>		
Revenue funds surrendered in excess of own revenue budget	13	286	
		<hr/>	
		<b>286</b>	
		<hr/> <hr/>	

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2003**

These amounts are not recognised in the financial statements, and are disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), the Treasury Regulations for Departments and Constitutional Institutions issued in terms of the Act and the Division of Revenue Act, Act 5 of 2002.

**19 Contingent liabilities**

<b>Liable to</b>	<b>Nature</b>	<b>Note</b>	<b>2002/03 R'000</b>	<b>2001/02 R'000</b>
Housing loan guarantees	Employees	Annexure 2	101	
State Attorney	Legal action		259	
			<u>360</u>	

**20 Commitments**

**Current expenditure**

Approved and contracted/ordered	15,750
	<u>15,750</u>

**Capital expenditure**

Approved and contracted/ordered	50
	<u>50</u>

<b>Total Commitments</b>	<u><u>15,800</u></u>
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**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

	2002/03 R'000	2001/02 R'000
<b>21 Accruals</b>		
<b>Listed by standard Item</b>		
Administration	45	
Stores and livestock	1	
Equipment	4	
Professional and Special services	64	
	<u>114</u>	
	<u><u>114</u></u>	
<b>Listed by programme level</b>		
Programme 1: Administration	78	
Programme 2: Local Government Legislation and administration	13	
Programme 3: Local Government Development	20	
Programme 4: Local Government Finance	3	
	<u>114</u>	
	<u><u>114</u></u>	
<b>22 Employee benefits</b>		
Leave entitlement	2,705	
Thirteenth cheque	593	
Performance bonus	126	
	<u>3,424</u>	
	<u><u>3,424</u></u>	

**23 Leases**

**23.1 Operating leases**

All rental equipment such as faximile machines and copiers are being rented by the Department of Housing which renders an agency service to the Department of Local Government.

**24 Key management personnel**

The Provincial Minister, the Accounting Officer and all other members of the Senior Management Service (SMS) are classified as key management personnel.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**24.1 Remuneration**

<b>Class of key management</b>	<b>Number of indiv.</b>	<b>Aggregate remuneration</b>
Minister	1	R491,000
Accounting Officer	1	R469,853
SMS personnel	4	R1,104,904
		<hr/>
		R2,065,757
		<hr/>

Included in the above are service bonuses to the value of R38 654 paid to qualifying members of the SMS.

**WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12**

**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS RECEIVED BY DEPARTMENT AS AT  
31 MARCH 2003**

NAME OF DEPARTMENT	GRANT ALLOCATION				EXPENDITURE				
	Division of Revenue Act	Adjustments Estimate	Roll Overs	Total Available (1)	Actual	Unspent	% of Available Spent	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>PROVINCIAL AND LOCAL GOVERNMENT</b>									
CMIP * Management support grant		8617		8617	8,475	142	98.35	5	8,470
		24736		24736	9,902	14,834	40.03		14,834
		<b>33,353</b>		<b>33,353</b>	<b>18,377</b>	<b>14,976</b>	<b>55.10</b>	<b>5</b>	<b>23,304</b>

\* Consolidated Municipal Infrastructure Programme

(1) Reasons for underspending:

The spending of the funds is subject to the national department's approval of the Provincial Business Plan.

The Provincial Business plan was submitted on 31 March 2002, but approval was only granted in September 2002.

Money is paid over to the municipalities only after receipt of certified claims to prevent fiscal dumping.

Ongoing discussions take place with the national department of Provincial and Local Government to speed up the national approval process.

Application was made for a roll-over due to the fact that this is a conditional grant and all the funds are committed in approved municipal business plans. Approval for roll-over has however not been finalised by the Provincial Treasury.

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

ANNEXURE 1B

STATEMENT OF CONDITIONAL GRANT TRANSFERS TO MUNICIPALITIES BY DEPARTMENT  
AS AT 31 MARCH 2003

NAME OF MUNICIPALITY	GRANT ALLOCATION				EXPENDITURE					SPENT		
	Division of Revenue Act R'000	Adjustments Estimate R'000	Roll Overs R'000	Total Available R'000	Actual Transfer R'000	Amount not transferred R'000	% of Available Transferred	Capital R'000	Current R'000	Actual amount received R'000	Actual amount spent R'000	% of amount transferred Spent
<b>Management Support</b>												
Drakenstein		120		120	27	93	22.5%		27	27	27	100.00%
Cederberg		1,118		1,118	528	590	47.2%		528	528	528	100.00%
Beaufort-West		1,551		1,551	545	1,006	35.1%		545	545	545	100.00%
Breede Valley		3,317		3,317	3,039	278	91.6%	3,039	3,039	3,039	3,039	100.00%
Central Karoo		889		889	814	75	91.6%		814	814	814	100.00%
Eden		2,890		2,890	850	2,040	29.4%		850	850	850	100.00%
Overberg		1,410		1,410	885	525	62.8%		885	885	885	100.00%
Witzenberg		2,069		2,069	767	1,302	37.1%		767	767	767	100.00%
Swartland		17		17	16	1	94.1%		16	16	16	100.00%
Oudtshoorn		694		694	357	337	51.4%		357	357	357	100.00%
Knysna		336		336	117	219	34.8%		117	117	117	100.00%
Plettenberg Bay		1,183		1,183	58	1,125	4.9%		58	58	58	100.00%
Boland		331		331	278	53	84.0%		278	278	278	100.00%
West Coast		204		204	109	95	53.4%		109	109	109	100.00%
Matzikama		85		85	85		100.0%		85	85	85	100.00%
Kannaland		1,046		1,046	871	175	83.3%		871	871	871	100.00%
Overstrand		147		147	138	9	93.9%		138	138	138	100.00%
Saldanha		1,518		1,518	18	1,500	1.2%		18	18	18	100.00%
Swellendam		2,003		2,003	117	1,886	5.8%		117	117	117	100.00%
Stellenbosch		33		33		33						
Laingsburg		1,500		1,500	283	1,217	18.9%		283	283	283	100.00%
Prince Albert		32		32		32						
Langeberg		1,020		1,020		1,020						
Mossel Bay		94		94		94						
Breede River		106		106		106						
Theewaterskloof		1,023		1,023		1,023						
		<b>24,736</b>		<b>24,736</b>	<b>9,902</b>	<b>14,834</b>	<b>40.0%</b>		<b>9,902</b>	<b>9,902</b>	<b>9,902</b>	<b>100.00%</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

ANNEXURE 1C

STATEMENT OF OTHER TRANSFERS BY DEPARTMENT  
AS AT 31 MARCH 2003

MUNICIPALITY/ ENTITY/ INSTITUTION	GRANT ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer	Amount not transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>MUNICIPALITIES:</b>									
<b>Integrated development plans:</b>									
Matzikama		150		150	78	72	52.0%		78
Cederberg		106		106	30	76	28.3%		30
Bergriver		179		179	179		100.0%		179
Saldanha Bay		136		136	46	90	33.8%		46
Swartland		58		58	58		100.0%		58
West Coast		75		75	75		100.0%		75
Drakenstein		116		116	116		100.0%		116
Stellenbosch		50		50	50		100.0%		50
Breede River/ Winelands		98		98	34	64	34.7%		34
Boland		144		144	143	1	99.3%		143
Theewaterskloof		124		124	124		100.0%		124
Overstrand		120		120	99	21	82.5%		99
Cape Agulhas		50		50	57	(7)	114.0%		57
Swellendam		80		80	71	9	88.8%		71
Overberg		180		180	180		100.0%		180
Kannaland		103		103	50	53	48.5%		50
George		70		70	70		100.0%		70
Oudtshoorn		106		106	19	87	17.9%		19
Plettenberg Bay		107		107	105	2	98.1%		105
Knysna		80		80	69	11	86.3%		69
Eden		100		100	100		100.0%		100
Laingsburg		78		78	8	70	10.3%		8
Prince Albert		69		69	25	44	36.2%		25
Beaufort West		55		55	8	47	14.5%		8
Mosselbaai		70		70	75	(5)	107.1%		75
Breede Valley		50		50		50			
Witzenberg		63		63		63			
Central Karoo		75		75		75			
Langeberg		93		93		93			
		<b>2,785</b>		<b>2,785</b>	<b>1,869</b>	<b>916</b>	<b>67.1%</b>		<b>1,869</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

ANNEXURE 1C  
STATEMENT OF OTHER TRANSFERS BY DEPARTMENT  
AS AT 31 MARCH 2003

MUNICIPALITY/ ENTITY/ INSTITUTION	GRANT ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer	Amount not transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>Performance management systems</b>									
Matzikama		100		100	100		100.0%		100
Cederberg		100		100	100		100.0%		100
Bergriver		100		100	100		100.0%		100
Witzenberg		100		100	100		100.0%		100
Drakenstein		50		50	50		100.0%		50
Stellenbosch		100		100	100		100.0%		100
Breede River/ Winelands		100		100	100		100.0%		100
Theewaterskloof		100		100	100		100.0%		100
Cape Agulhas		100		100	100		100.0%		100
Overberg		50		50	50		100.0%		50
Kannaland		100		100	100		100.0%		100
Langeberg		100		100	100		100.0%		100
George		100		100	100		100.0%		100
Oudtshoorn		100		100	100		100.0%		100
Central Karoo		200		200	200		100.0%		200
		<b>1,500</b>		<b>1,500</b>	<b>1,500</b>		<b>100.0%</b>		<b>1,500</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

ANNEXURE 1C  
STATEMENT OF OTHER TRANSFERS BY DEPARTMENT  
AS AT 31 MARCH 2003

MUNICIPALITY/ ENTITY/ INSTITUTION	GRANT ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer	Amount not transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>Disaster management computers</b>									
Matzikama		17		17	17		100.0%		17
Cederberg		17		17	17		100.0%		17
Bergriver		17		17	17		100.0%		17
Saldanha Bay		17		17	17		100.0%		17
Swartland		17		17	17		100.0%		17
West Coast		17		17	17		100.0%		17
Witzenberg		17		17	17		100.0%		17
Drakenstein		17		17	17		100.0%		17
Stellenbosch		17		17	17		100.0%		17
Breede Valley		17		17	17		100.0%		17
Breede River/									
Winelands		17		17	17		100.0%		17
Boland		17		17	17		100.0%		17
Theewaterskloof		17		17	17		100.0%		17
Overstrand		17		17	17		100.0%		17
Cape Agulhas		17		17	17		100.0%		17
Swellendam		17		17	17		100.0%		17
Overberg		17		17	17		100.0%		17
Kannaland		17		17	17		100.0%		17
Langeberg		17		17	17		100.0%		17
Mossel Bay		17		17	17		100.0%		17
George		17		17	17		100.0%		17
Oudtshoorn		17		17	17		100.0%		17
Plettenberg Bay		17		17	17		100.0%		17
Knysna		17		17	17		100.0%		17
Eden		17		17	17		100.0%		17
Laingsburg		17		17	17		100.0%		17
Prince Albert		17		17	17		100.0%		17
Beaufort West		17		17	17		100.0%		17
Central Karoo		17		17	17		100.0%		17
Unallocated (Rounding)		7		7		7			
		<b>500</b>		<b>500</b>	<b>493</b>	<b>7</b>	<b>98.6%</b>		<b>493</b>

WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

ANNEXURE 1C  
STATEMENT OF OTHER TRANSFERS BY DEPARTMENT  
AS AT 31 MARCH 2003

MUNICIPALITY/ ENTITY/ INSTITUTION	GRANT ALLOCATION				EXPENDITURE				
	Appropriation Act	Adjustments Estimate	Roll Overs	Total Available	Actual Transfer	Amount not transferred	% of Available Transferred	Capital	Current
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Fire-fighting equipment Central Karoo District		300		300	300		100.0%		300
Fire-fighting assistance City of Cape Town		1,700		1,700	1,700		100.0%		1,700
Karatara (water meters) Knysna		110		110	110		100.0%		110
<b>TOTAL MUNICIPALITIES</b>		<b>6,895</b>		<b>6,895</b>	<b>5,972</b>	<b>923</b>	<b>86.6%</b>		<b>5,972</b>
<b>INSTITUTIONS:</b> Surf Life-saving Association of SA		100		100	100		100.0%		100
<b>GRAND TOTAL</b>		<b>6,995</b>		<b>6,995</b>	<b>6,072</b>	<b>923</b>	<b>86.8%</b>		<b>6,072</b>



WESTERN CAPE PROVINCE  
DEPARTMENT OF LOCAL GOVERNMENT  
VOTE 12

ANNEXURE 2  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2003

DOMESTIC

Guaranteed institution	Guarantee in respect of	Original Guaranteed capital amount	Opening balance as at 01/04/02	Guarantees issued during the year	Guarantees released during the year	Guaranteed Interest outstanding as at 31/03/03	Closing Balance 31/03/03	Realised losses i.r.o. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing loans	34	34				34	
Saambou Bank (FNB)	Housing loans	30	30				30	
Permanent Bank	Housing loans	25	25		25			
Nedbank	Housing loans	36	36				36	
<b>Total</b>		<b>126</b>	<b>126</b>		<b>25</b>		<b>101</b>	

# *PART FIVE*

## *Human Resource Management*

### OVERSIGHT REPORT FOR THE PERIOD 1 AUGUST 2002 TILL 31 MARCH 2003

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

Due to Departmentalisation the Department of Local Government was established on the 1<sup>st</sup> August 2002.

For purposes of the Oversight Report, statistics are thus reflected for the last (8) eight months of the financial year.

The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA). If you wish to see additional information included in this report, please send suggestions (with a clear motivation) to:-

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To ensure that enough time is available to evaluate and incorporate your suggestions, please ensure that all submissions are submitted on or before 31 August. For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled '*A guide to understanding the oversight report of departmental annual reports*'. A copy of the guide is available from all departments or can be accessed from the DPSA website ([www.dpsa.gov.za](http://www.dpsa.gov.za)).

## 1. SERVICE DELIVERY

**Table 1.1: Main services provided and standards**

Main Services	Actual Customers	Potential Customers	Standard of service	Actual achievement against standards
Advisory service on the application of local government legislation	30 Municipalities	N/A	Successful	100%
Support in respect of the implementation of management support programmes	11 Municipalities	30 Municipalities	Successful	100%
Promoting developmental local government	30 Municipalities	N/A	Successful	100%
Promoting provincial disaster Management	30 Municipalities	N/A	Successful	100%
Technical support in respect of physical municipal infrastructure provision	30 Municipalities	N/A	Successful	100%

**Table 1.2: Consultation arrangement with customers**

Type of arrangement	Actual Customers	Potential Customers	Actual achievement against standards
Formal: Provincial Advisory Forum Provincial Advisory Forum (Technical) District Advisory forums WECLOGO MINMEC MINMEC (Technical)	Municipalities, professional institutions and NGO's	Limited to municipalities, professional institutions and NGO's	100%
Informal: Regional Associations of Senior Municipal Managers Institute of Municipal Finance Officers (IMFO) Institute of Municipal Engineers of South Africa (IMESA)	Municipalities, professional institutions and NGO's	Limited to municipalities, professional institutions and NGO's	100%

**Table 1.3: Service delivery access strategy**

Access strategy	Actual achievements
Departmental Website	
Fora: PAF and PAFTECH	Quarterly meetings of both forums
Provincial Gazettes	All official notices were published
Pamphlets	Various pamphlets were distributed to municipalities as well as to the public during the KKNK
Guideline documents	

**Table 1.4: Service information tool**

Access strategy	Actual achievements
Annual Strategic Plan	Made available to all clients
Annual Budget Statement	Made available to all clients
Departmental Website	All clients have access
Annual report	Made available to all clients
Financial statements	Made available to all clients

**Table 1.5: Complaints mechanism**

Access strategy	Actual achievements
Open door policy at Ministry and Department	187 Written and numerous telephonic complaints from members of the public regarding their municipalities were successfully dealt with.

## 2. EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**TABLE 2.1 – Personnel costs by programme for the period 1 August 2002 till 31 March 2003**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
1 - Administration	4 073	2 627	0	406	64,5	202
2 - Legislation and Administration	2 034	1 558	0	173	76,59	120
3 - Development	11 239	2 380	0	1 115	21,17	103
4 - Finance	11 995	1 873	0	93	15,61	99
5 - CMIP	8 475	0	0	8 470	0*	0*
<b>Total</b>	<b>37 816</b>	<b>8 438</b>	<b>0</b>	<b>10 257</b>	<b>22,31</b>	<b>126</b>

**Note:**

- (i) Almost all training interventions are provided by the Cape Administrative Academy, which is paid from their centralized budget. These training interventions include computer training.
- (ii) \* Service rendered by Department of Housing in the interim.

**TABLE 2.2 – Personnel costs by salary bands for the period 1 August 2002 till 31 March 2003**

The following statistics are provided per salary band as stated in the Persal Expenditure Report (XX1015). The Personnel Expenditure consists of the following costs: Basic salary (including SMS packages), Housing, Medical, Overtime, Periodical payments, Bonus, Pension, Acting and Supervisory allowances, Regional Service Council levies and Subsistence and Travelling expenses.

Salary Band	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Number of Employees as at 31 March 2003
Lower skilled (Levels 1-2)	28	0.3	28	1
Skilled (Levels 3-5)	418	5.2	52	8
Highly skilled production (Levels 6-8)	2 162	26.9	75	29
Highly skilled supervision (Levels 9-12)	3 812	47.4	159	24
<b>Senior management (Levels 13-16)</b>	<b>1 623</b>	<b>20.2</b>	<b>325</b>	<b>5</b>
<b>Total</b>	<b>8 043</b>	<b>100</b>	<b>120</b>	<b>67</b>

The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, homeowner's allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

The statistics are provided as stated in the Persal Expenditure Report (XX1015). The costs exclude: Periodical payments, Bonus, Pension, Acting and Supervisory allowances, Regional Service Council levies and Subsistence's and Travelling expenditures.

**TABLE 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme for the period 1 August 2002 till 31 March 2003**

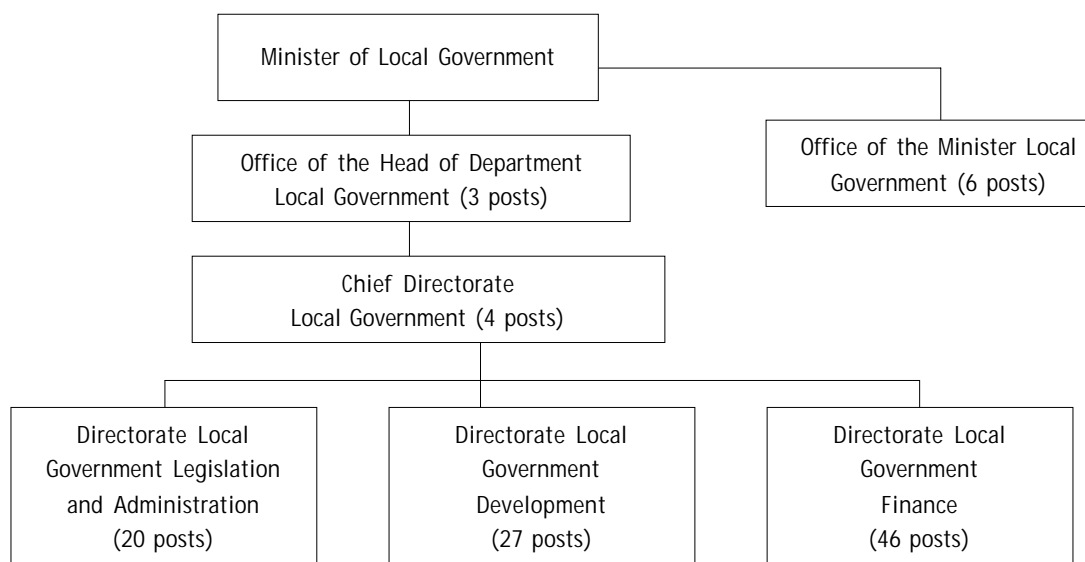
Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1-Administration	1 486	91.7	46	2.8	20	1.2	68	4.2
2-Legislation and Administration	1 097	89.8	0	0.0	34	2.8	90	7.4
3-Development	1 671	91.3	0	0.0	56	3.1	103	5.6
4-Finance	1 285	87.4	0	0.0	65	4.4	120	8.2
<b>Total</b>	<b>5 539</b>	<b>90.2</b>	<b>46</b>	<b>0.7</b>	<b>175</b>	<b>2.8</b>	<b>381</b>	<b>6.2</b>

**TABLE 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands for the period 1 August 2002 till 31 March 2003**

Salary Band	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	21	87.5	0	0.0	0	0.0	3	12.5
Skilled (Levels 3-5)	239	71.6	46	13.8	15	4.5	34	10.2
Highly skilled production (Levels 6-8)	1 497	87.0	0	0.0	71	4.1	152	8.8
Highly skilled supervision (Levels 9-12)	2 860	92.5	0	0.0	89	2.9	142	4.6
Senior management (Levels 13-16)	922	94.9	0	0.0	0	0.0	50	5.1
<b>Total</b>	<b>5 539</b>	<b>90.2</b>	<b>46</b>	<b>0.7</b>	<b>175</b>	<b>2.8</b>	<b>381</b>	<b>6.2</b>

### 3 EMPLOYMENT AND VACANCIES

The organigram indicates the Macro Structure of the Department Local Government and the approved posts as at 31 March 2003. The corporate components were only established on 1 May 2003.



The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:- programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). The Department has identified the disaster management component as critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled.

**TABLE 3.1 – Employment and vacancies by programme as at 31 March 2003**

Programme	Number of posts	Number of posts filled		Vacancy Rate	Number of posts filled additional to the establishment
		Number of posts filled with permanent employees	Number of posts filled with contract appointments		
1 - Administration	13	8	4	7.7	1
2- Legislation and Administration	20	11	0	45	1
3 - Development	27	23	0	14.8	0
4 - Finance	46	19	0	58.7	0
		<b>61</b>	<b>4</b>		
<b>Total</b>	<b>106</b>	<b>65</b>		<b>38.7</b>	<b>2</b>

**Note:**

The department made use of 4 contract appointees appointed in permanent posts as support personnel in the Office of The Minister. They are reflected in the column "Number of posts filled with contract appointments".

As at 31 March 2003, 2 officials were appointed on contract basis, additional to the establishment. They are reflected in the first two programmes.

**TABLE 3.2 – Employment and vacancies by salary bands as at 31 March 2003**

Salary Band	Number of posts	Number of posts filled		Vacancy Rate	Number of posts filled additional to the establishment
		Number of posts filled with permanent employees	Number of posts filled with contract appointments		
Lower skilled (Levels 1-2)	17	1	0	94.1	0
Skilled (Levels 3-5)	8	7	1	0	0
Highly skilled production (Levels 6-8)	47	28	1	38.3	0
Highly skilled supervision (Levels 9-12)	29	20	2	24.1	2
Senior management (Levels 13-16)	5	5	0	0	0
		61	4		
<b>Total</b>	<b>106</b>	<b>65</b>	<b>4</b>	<b>38.7</b>	<b>2</b>

**TABLE 3.3 – Employment and vacancies by critical occupation as at 31 March 2003**

Critical Occupations at the sub-directorate Disaster Management	Number of posts	Number of posts filled		Vacancy Rate	Number of posts filled additional to the establishment
		Number of posts filled with permanent employees	Number of posts filled with contract appointments		
Administration Clerk	2	2	0	0	0
Chief Administration Clerk	1	1	0	0	0
Administrative Officer	3	3	0	0	0
Assistant Director: Admin.	2	2	0	0	0
Deputy Director: Administration 1		1	0	0	0
		9	0		
<b>Total</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 4 JOB EVALUATION

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

The following table (Table 4.1) summarises the number of jobs that were evaluated during the reporting period under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**TABLE 4.1 – Job Evaluation, 1 August 2002 to 31 March 2003**

Salary Band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	17	0	0	0	0	0	0
Skilled (Levels 3-5)	8	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	47	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	29	0	0	0	0	0	0
Senior Management Service Band A (Level 13)	3	3	100	0	0	0	0
Senior Management Service Band B (Level 14)	1	1	100	0	0	0	0
Senior Management Service Band C (Level 16)	1	1	100	0	0	0	0
<b>Total</b>	<b>106</b>	<b>5</b>	<b>4.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note:

In line with the directive of the Minister of Public Services and Administration all Senior Management posts were evaluated.

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

**TABLE 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 August 2002 to 31 March 2003**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Employees with a disability</i>					0

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation.

**TABLE 4.3 – Employees whose salary level exceeds the grade determined by job evaluation, 1 August 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)**

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 in 2002/ 03				0
Percentage of total employment				0

Table 4.4 summarises the beneficiaries of the above in terms of race, gender and disability.

**TABLE 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 August 2002 to 31 March 2003 (in terms of PSR 1.V.C.3)**

<i>Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2002/ 03</i>	None
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## 5 EMPLOYMENT CHANGES

This section provides information on changes in employment over the period 1 August 2002 till 31 March 2003. Turnover rates provide an indication of trends in the employment profile of the department and only reflect the employees who left the Department, thus the appointments made has no impact on these figures. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupation (Table 5.2).

Appointments refer to applicants appointed from outside the government service. Transfers refer to employees who moved from one department to another – be it into this department or out of this department. Terminations refer to employees who left government service. The figures include contract appointments.

**TABLE 5.1 – Annual turnover rates by salary band for the period 1 August 2002 to 31 March 2003**

<i>Salary Band</i>	Decentralization into the department as on 1 August 2002	Appointments and Transfers into the department		Terminations and Transfers out of the department		<i>Turnover rate (%)</i>
		Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	
Lower skilled (Levels 1-2)	1	0	0	0	0	0
Skilled (Levels 3-5)	8	0	0	0	0	0
Highly skilled production (Levels 6-8)	29	1	0	1	0	3.4
Highly skilled supervision (Levels 9-12)	22	4	2	2	0	9.1
Senior Management Service Band A (Level 13)	3	0	0	0	0	0
Senior Management Service Band B (Level 14)	1	0	0	0	0	0
Senior Management Service Band C (Level 15)	1	0	0	0	0	0
<b>Total</b>	<b>65</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>4.6</b>

**Note:**

The total of 5 “Appointments into the department” includes 4 contract appointments.

The total of 3 “Terminations out of the department” includes 2 contract expiries.

**TABLE 5.2 – Annual turnover rates by critical occupation for the period 1 August 2002 to 31 March 2003**

<i>Critical Occupations at the sub-directorate Disaster Management</i>	Decentralization into the department as on 1 August 2002	Appointments and Transfers into the department		Terminations and Transfers out of the department		<i>Turnover rate (%)</i>
		Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	
Administration Clerk	2	0	0	0	0	0
Chief Administration Clerk	1	0	0	0	0	0
Administrative Officer	3	0	0	0	0	0
Assistant Director: Administration	2	0	0	0	0	0
Deputy Director: Administration	1	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 5.3 – Reasons why staff are leaving the department for the period 1 August 2002 to 31 March 2003**

<i>Termination Type</i>	<b>Number</b>	<b>% of total</b>
Death	0	0
Resignation	1	33.3
Expiry of contract	2	66.7
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfers to other Public Service Departments	0	0
<b>Total</b>	<b>3</b>	<b>100</b>
<i>Total number of employees who left (3) as a % of the total employment (65)</i>		<b>4.6</b>

This section provides information on the reasons for resignations over the period 1 August 2002 till 31 March 2003.

<i>Termination Type</i>	<i>Reason for Termination of Service</i>	<b>Number of Events</b>
<i>Resignations</i>	Nature of work	<b>1</b>

**TABLE 5.4 – Promotions by critical occupation for the period 1 August 2002 till 31 March 2003**

<i>Critical Occupations</i> at the sub-directorate Disaster Management	Employees as at 1 August 2002	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Administration Clerk	2	0	0	0	0
Chief Administration Clerk	1	0	0	0	0
Administrative Officer	3	0	0	0	0
Assistant Director: Administration	2	0	0	0	0
Deputy Director: Administration	1	0	0	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 5.5 – Promotions by salary band for the period 1 August 2002 till 31 March 2003**

<i>Salary Band</i>	Employees as at 1 August 2002	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	1	0	0	1	100
Skilled (Levels 3-5)	8	0	0	2	25.0
Highly skilled production (Levels 6-8)	29	0	0	1	3.4
Highly skilled supervision (Levels 9-12)	22	0	0	6	27.3
Senior management (Levels 13-15)	5	0	0	0	0
<b>Total</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>15.4</b>

Note:

The indication in the column "Progressions to another notch within a salary level" (total 10) reflects allocations made during the reporting period.

## 6 EMPLOYMENT EQUITY

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

Definition of **SASCO** – The South African Classifications of Occupations

**TABLE 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2003**

Occupational Category (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	3	0	0	0	2	5
Professionals	0	2	0	2	1	0	0	0	5
Technicians and associate professionals	0	5	0	9	0	1	0	2	17
Clerks	2	3	0	6	0	11	0	12	34
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>2</b>	<b>10</b>	<b>0</b>	<b>20</b>	<b>1</b>	<b>12</b>	<b>0</b>	<b>16</b>	<b>61</b>
Contract Personnel	0	0	0	4	0	2	0	0	6
<b>GRAND TOTAL</b>	<b>2</b>	<b>10</b>	<b>0</b>	<b>24</b>	<b>1</b>	<b>14</b>	<b>0</b>	<b>16</b>	<b>67</b>
			<b>36</b>			<b>31</b>			
Employees with disabilities	0	0	0	1	0	0	0	0	1

**TABLE 6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2003**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	0	0	0	2	0	0	0	0	2
Senior Management (Salary level 13)	0	0	0	1	0	0	0	2	3
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	0	4	0	11	0	0	0	1	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	0	2	0	1	0	4	0	2	9
Semi-skilled and discretionary decision- making (Salary levels 4 – 7)	2	2	0	5	1	6	0	11	27
Unskilled and defined decision-making (Salary levels 1 – 3)	0	2	0	0	0	2	0	0	4
<b>TOTAL PERMANENT</b>	<b>2</b>	<b>10</b>	<b>0</b>	<b>20</b>	<b>1</b>	<b>12</b>	<b>0</b>	<b>16</b>	<b>61</b>
Contract Personnel	0	0	0	4	0	2	0	0	6
<b>GRAND TOTAL</b>	<b>2</b>	<b>10</b>	<b>0</b>	<b>24</b>	<b>1</b>	<b>14</b>	<b>0</b>	<b>16</b>	<b>67</b>
			<b>36</b>			<b>31</b>			
Employees with disabilities	0	0	0	1	0	0	0	0	1

**TABLE 6.3 – Recruitment for the period 1 August 2002 to 31 March 2003 (Appointments)**

“Recruitments” reflect those positions, which were filled from applications from outside the government service. Therefore transfers into the department have been excluded.

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	0	0	0	0	0	0	0	0	0
Senior Management (Salary level 13)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	0	0	0	1	0	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	0	0	0	2	0	1	0	0	3
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making (Salary levels 1 – 3)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5</b>
Transfers into the department	0	0	0	2	0	0	0	0	2
<b>GRAND TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>7</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

Note:

The figures includes short-term contract appointments, of the total of 5 recruitments, 4 were contract appointments.



**TABLE 6.4 – Promotions for the period 1 August 2002 to 31 March 2003**

“Promotions” reflect those positions, which were filled from within the department.

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	0	0	0	0	0	0	0	0	0
Senior Management (Salary level 13)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making (Salary levels 1 – 3)	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**TABLE 6.5 – Terminations for the period 1 August 2002 to 31 March 2003**

“Terminations” reflect those positions, which were vacated by employees who left the government service.

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (Salary levels 14 – 15)	0	0	0	0	0	0	0	0	0
Senior Management (Salary level 13)	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and middle management (Salary Levels 11 – 12)	0	0	0	1	0	0	0	1	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents (Salary levels 8 – 10)	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making (Salary levels 4 – 7)	0	1	0	0	0	0	0	0	1
Unskilled and defined decision making (Salary levels 1 – 3)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>
Transfers out of the department	0	0	0	0	0	0	0	0	0
	0	1	0	1	0	0	0	1	
<b>GRAND TOTAL</b>			<b>2</b>				<b>1</b>		<b>3</b>
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0

**Note:**

The figures include all short-term contract expiries. Of the total of 3 terminations, 2 were contract expiries.

**TABLE 6.6 – Disciplinary action for the period 1 August 2002 to 31 March 2003**

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	
<b>GRAND TOTAL</b>			<b>0</b>				<b>0</b>		<b>0</b>

Note:

For detail of disciplinary actions refer to table 11.2.

**TABLE 6.7 – Skills development for the period 1 August 2002 to 31 March 2003**

“Skills development” reflects the total number of officials trained in one or more of the various programmes and short courses, as well as those that underwent training as provided by External Providers (Outsource). The implication is that an official can be reflected more than once for the period 1 August 2002 till 31 March 2003.

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	<b>0</b>
Professionals	0	2	0	7	0	0	0	1	<b>10</b>
Technicians and associate professionals	0	6	0	12	0	15	0	0	<b>33</b>
Clerks	15	0	0	2	0	35	0	1	<b>53</b>
Service and sales workers	0	0	0	0	0	0	0	0	<b>0</b>
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	<b>0</b>
Craft and related trades workers	0	0	0	0	0	0	0	0	<b>0</b>
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	<b>0</b>
Elementary occupations	0	15	0	0	0	6	0	0	<b>21</b>
<b>TOTAL PERMANENT</b>	<b>15</b>	<b>23</b>	<b>0</b>	<b>21</b>	<b>0</b>	<b>56</b>	<b>0</b>	<b>2</b>	<b>117</b>
Employees with disabilities	0	0	0	0	0	0	0	0	<b>0</b>

## 7 PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The performance rewards does not include notch increases, only merit awards allocated to personnel during the reporting period. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

**TABLE 7.1 – Performance Rewards by race, gender, and disability, 1 August 2002 to 31 March 2003**

Gender and Race Distribution	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees as at 31 March 2003 in group	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>	0	3	0	0	0
Male	0	2	0	0	0
Female	0	1	0	0	0
<b>Asian</b>	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
<b>Coloured</b>	3	22	13.6	17	6
Male	0	10	0	0	0
Female	3	12	25	17	6
<b>White</b>	8	36	22.2	110	14
Male	3	20	15	60	20
Female	5	16	31.3	50	10
Employees with a disability	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>61</b>	<b>18</b>	<b>127</b>	<b>12</b>

Note:

Officials appointed on a contract basis do not qualify for Performance Rewards and is therefore not included in the above statistics.

**TABLE 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 August 2002 to 31 March 2003**

The performance rewards does not include notch increases, only merit awards allocated to personnel during the reporting period.

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees as at 31 March 2003	% of total within salary bands	Total Cost (R'000)	Average Cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R8 043 000
Lower skilled (Levels 1-2)	0	1	0	0	0	0
Skilled (Levels 3-5)	2	7	28.6	8	4	0.1
Highly skilled production (Levels 6-8)	6	28	21.4	59	10	0.7
Highly skilled supervision (Levels 9-12)	3	20	15	60	20	0.7
<b>Total</b>	<b>11</b>	<b>56</b>	<b>19.6</b>	<b>127</b>	<b>12</b>	<b>1.6</b>

The above figures exclude contract appointments.

**TABLE 7.3 – Performance Rewards by critical occupations, 1 August 2002 to 31 March 2003**

Critical Occupations at the sub-directorate Disaster Management	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees as at 31 March 2003	% of total within salary bands	Total Cost (R'000)	Average Cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R8 043 000
Administration Clerk	0	2	0	0	0	0.0
Chief Administration Clerk	0	1	0	0	0	0.0
Administrative Officer	2	3	66.7	25	13	0.3
Assistant Director:						
Administration	1	2	50	13	13	0.2
Deputy Director:						
Administration	1	1	100	28	28	0.3
<b>Total</b>	<b>4</b>	<b>9</b>	<b>44.4</b>	<b>66</b>	<b>17</b>	<b>0.8</b>

**TABLE 7.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service**

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure of R1 623 000
Band A	0	3	0	0	0	0
Band B	0	1	0	0	0	0
Band C	0	1	0	0	0	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 8 FOREIGN WORKERS

The tables below summarise the employment of foreign workers in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

**TABLE 8.1 – Foreign Workers, 1 August 2002 to 31 March 2003, by salary band**

Salary Band	1 August 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-15)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TABLE 8.2 – Foreign Worker, 1 August 2002 to 31 March 2003, by major occupation**

<i>Major Occupation</i>	1 August 2002		31 March 2003		Change	
	Number	% of total	Number	% of total	Number	% change
None	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 9 LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2002 TO 31 DECEMBER 2002

As leave is administered by calendar year and not per financial year the statistics required is given per leave cycle. Although the Department was only established on 1 August 2002 this report reflects the leave statistics for the full leave cycle for all employees in service of the Department.

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

**TABLE 9.1 – Sick leave, 1 January 2002 to 31 December 2002**

<i>Salary Band</i>	Total days	Total days certified	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	59	47	79.7	6	12.5	10	7
Highly skilled production (Levels 6-8)	264	191	72.3	23	47.9	11	56
Highly skilled supervision (Levels 9-12)	144	96	66.7	16	33.3	9	70
Senior management (Levels 13-15)	60	58	96.7	3	6.3	20	37
<b>Total</b>	<b>527</b>	<b>392</b>	<b>74.4</b>	<b>48</b>	<b>100</b>	<b>11</b>	<b>170</b>

Note:

Sick leave taken by contract workers is included in these figures.

**TABLE 9.2 – Disability leave (temporary and permanent), 1 January 2002 to 31 December 2002**

<i>Salary Band</i>	Total days taken	Total days certified	% 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)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	30	30	100	1	33.3	30	5
Highly skilled supervision (Levels 9-12)	27	27	100	1	33.3	27	15
Senior management (Levels 13-15)	5	5	100	1	33.3	5	3
<b>Total</b>	<b>62</b>	<b>62</b>	<b>100</b>	<b>3</b>	<b>100</b>	<b>21</b>	<b>23</b>

Table 9.3 summarises the utilisation of annual leave.

**TABLE 9.3 – Annual Leave, 1 January 2002 to 31 December 2002**

<i>Salary Band</i>	Total days taken	Number of employees as at 31 December 2002	Average per employee
Lower skilled (Levels 1-2)	0	1	0
Skilled (Levels 3-5)	176	8	22
Highly skilled production (Levels 6-8)	727	29	25
Highly skilled supervision (Levels 9-12)	509	24	21
Senior management (Levels 13-15)	99	5	20
<b>Total</b>	<b>1511</b>	<b>67</b>	<b>23</b>

The wage agreement, concluded with trade unions in the PSCBC in 2000, requires the management of capped leave to prevent high levels of accrued leave being paid at the time of termination of service.



**TABLE 9.4 – Capped leave, 1 January 2002 to 31 December 2002**

<i>Salary Band</i>	Number of employees as at 31 December 2002	Total days of capped available as at 31 December 2002	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2002
Lower skilled (Levels 1-2)	1	187	0	0.0	187
Skilled (Levels 3-5)	8	404	23	2.9	51
Highly skilled production (Levels 6-8)	29	1177	52	1.8	41
Highly skilled supervision (Levels 9-12)	24	2413	20	0.8	101
Senior management (Levels 13-15)	5	393	2	0.4	79
<b>Total</b>	<b>67</b>	<b>4574</b>	<b>97</b>	<b>1.4</b>	<b>68</b>

**TABLE 9.5 – Leave payouts for the period 1 April 2002 to 31 March 2003**

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

<i>Reason</i>	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
*Leave payout for 2001 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service	0	0	0
Current leave payout on termination of service for 2002/03	2	1	2
<b>Total</b>	<b>2</b>	<b>1</b>	<b>2</b>

\* The leave pay-out will always reflect in the next year as the employee has 18 months to utilize his/her leave credits.

## 10 HIV/AIDS & HEALTH PROMOTION PROGRAMMES

**TABLE 10.1 – Steps taken to reduce the risk of occupational exposure**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Currently assessing employees at risk by means of knowledge, attitude and practice (KAP) survey.	KAP survey

**TABLE 10.2 – 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.	✓	Mr. GK Erasmus Director Human Resource Manage- ment
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.	✓	One (1) only, two (2) more vacant posts to be filled
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.		
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.		OCHSA and HIV/AIDS committee 12 members across all occupational catego- ries and salary levels inclusive of Labour.
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.	✓	Employment Equity Plan All HRM Policies
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.	✓	HIV/AIDS Policy Non-Discrimination
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓	Currently in Awareness Phase
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		Measures listed as part of HIV/AIDS programme.

## 11 LABOUR RELATIONS

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

**TABLE 11.1 – Collective agreements, 1 August 2002 to 31 March 2003**

Subject Matter	Date
None	0

The following table summarises the outcome of disciplinary hearings conducted within the department for the period 1 August 2002 to 31 March 2003.

**TABLE 11.2 – Misconduct and disciplinary hearings finalised, 1 August 2002 to 31 March 2003**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**TABLE 11.3 – Types of misconduct addressed at disciplinary hearings**

Type of misconduct	Number	% of total
Unauthorised absence	0	0
Refusal to obey lawful instruction	0	0
Unauthorised use of Government vehicle	0	0
Under influence	0	0
Unbecoming conduct	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**TABLE 11.4 – Grievances lodged for the period 1 August 2002 to 31 March 2003**

	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	0	0
<b>Total number of grievances lodged</b>	<b>0</b>	<b>0</b>

**TABLE 11.5 – Disputes lodged with Councils for the period 1 August 2002 to 31 March 2003**

	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0</b>

**TABLE 11.6 – Strike actions for the period 1 August 2002 to 31 March 2003**

<b>Total number of person working days lost</b>	<b>0</b>
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**TABLE 11.7 – Precautionary suspensions for the period 1 August 2002 to 31 March 2003**

<b>Number of people suspended</b>	<b>0</b>
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

## 12 SKILLS DEVELOPMENT

This section highlights the efforts of the department with regard to skills development per occupational category, as well as gender distribution.

The tables reflect total number of employees that needs training for the financial year 2002/2003. The Cape Administrative Academy (CAA) at the Provincial Administration Western Cape presents Skills Programmes and other short courses. The other forms of training reflect training needs that will be provided by External Providers (Outsource), e.g. computer training, job-specific courses, etc.

**TABLE 12.1 – Training needs identified for the period 1 August 2002 to 31 March 2003**

<i>Occupational Category</i>	<i>Gender</i>	<b>Number of employees as at 1 August 2002</b>	<b>Training needs identified at start of reporting period</b>			<b>Total</b>
			<b>Learner ships</b>	<b>Skills Programmes &amp; other short courses</b>	<b>Other forms of training</b>	
Legislators, senior officials and managers	Female	2	0	1	0	1
	Male	3	0	2	0	2
Professionals	Female	0	0	0	0	0
	Male	4	0	0	0	0
Technicians and associate professionals	Female	3	0	0	0	0
	Male	17	0	0	4	4
Clerks	Female	24	0	66	3	69
	Male	12	0	65	2	67
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators & assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	29	0	67	3	70
	Male	36	0	67	6	73
<b>Total</b>		<b>65</b>	<b>0</b>	<b>134</b>	<b>9</b>	<b>143</b>

**TABLE 12.2 – Training provided for the period 1 August 2002 to 31 March 2003**

<i>Occupational Category</i>	Gender	Number of employees as at 1 August 2002	Training provided within the reporting period			Total
			Learner ships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	2	0	0	0	0
	Male	3	0	0	0	0
Professionals	Female	1	0	1	0	1
	Male	4	0	7	2	9
Technicians and associate professionals	Female	3	0	14	1	15
	Male	14	0	16	2	18
Clerks	Female	23	0	31	5	36
	Male	11	0	15	2	17
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators & assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	5	1	6
	Male	0	0	15	0	15
Sub Total	Female	29	0	51	7	58
	Male	32	0	53	6	59
<b>Total</b>		<b>61</b>	<b>0</b>	<b>104</b>	<b>13</b>	<b>117</b>

## 13 INJURY ON DUTY

The following tables provide basic information on injury on duty.

**TABLE 13.1 – Injury on duty, 1 August 2002 to 31 March 2003**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary Total Disablement	1	100
Permanent Disablement	0	0
Fatal	0	0
<b>Total</b>	<b>1</b>	<b>100</b>

## 14. UTILISATION OF CONSULTANTS

**TABLE 14. 1: Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Nil	Nil	Nil	Nil

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
Nil	Nil	Nil	Nil

**TABLE 14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

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

**TABLE 14.3: Report on consultant appointments using Donor funds**

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Nil	Nil	Nil	Nil

**TABLE 14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)**

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