

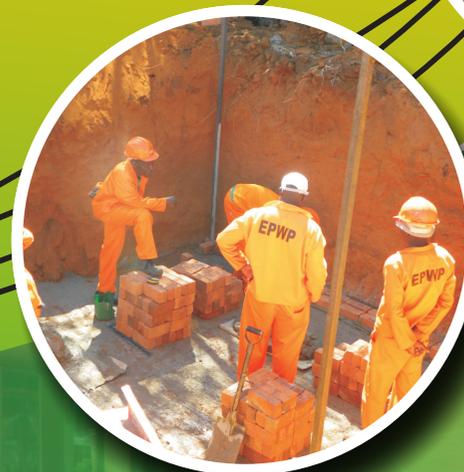
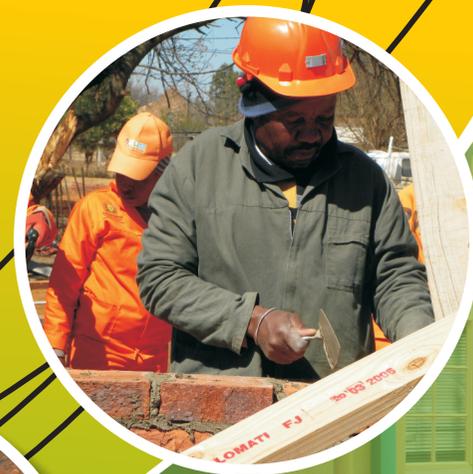


# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**PUBLIC WORKS**

# ANNUAL REPORT 2012/2013



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## Part A: General Information

## **Part A: General Information**

### **(i) Department's General Information**

Limpopo Department of Public Works  
Limpopo Provincial Head Office  
43 Church Street:  
POLOKWANE  
Private Bag X 9490  
POLOKWANE  
0700

Tel: (015) 284 7000

Website: <http://www.dpw.limpopo.gov.za>

### **(ii) List of Abbreviations/acronyms**

AG	-	Auditor General
AO	-	Accounting Officer
C-AMP	-	Custodian Asset Management Plan
DORA	-	Division of Revenue Act
EA	-	Executing Authority
EPWP	-	Expanded Public Works Programme
GIAMA	-	Government Immovable Asset Management Act
HOD	-	Head of Department
IMDS	-	Infrastructure Management Delivery System
PFMA	-	Public Finance Management Act
PMDS	-	Performance Management and Development System
U AMP	-	User Asset Management Plan
WSP	-	Work Place Skills Plan

## 1. Strategic Overview

The Department is fulfilling its mandate based on the Medium Term Strategic Framework and the Government Immovable Asset Management Act (GIAMA), Act 19 of 2007. The Departmental Programme of Action is outlined in the 5 Year Strategic Plan 2009/10 - 2014/15 and the Annual Performance Plan, which was further refined in the strategic planning session of July 2012 and dented in the Annual Performance Plan of the Financial Year under review.

The Department structured the Property and Facilities Management function of the Department as outlined in the organisational structure to assume the overall function of custodianship of land development in the Province for provision of government accommodation and for government users and wider society in the delivery of socio-economic services before the design and construction of infrastructure. The rationale being, that before any infrastructure is developed there should be an inquiry with the custodian of land to verify as to whether land is available. Land availability agreements must then be entered into to ensure that land is properly vested. If the land is not vested or is not on the asset register, all the necessary processes must be undertaken. The process of infrastructure development has been revised so that all future infrastructure development is appropriately recorded and the asset register updated accordingly to avoid the current situation wherein the Department is unable to account for all of its immovable assets. The capacity of the Property and Facilities Management function has been reviewed and developed as part of the turnaround strategy.

The second project undertaken was the compilation of Infrastructure Development Plans in which projects classified as to whether they are simple, medium sized or complex and are designed in a manner that takes into account the inadequate capacity on the Department, wherein:

- simple projects are categorised as 100% EPWP,
- medium sized projects carry a mix as to whether they will be implemented in-house and
- Complex projects will then be designed for implementation by qualified and experienced private sector service providers while job creation is mainstreamed into all delivery models.

The process will flow back to Property Development which will then facilitate a process of determining the maintenance requirements of the asset in terms of handover of documentation and forward the requirement for maintenance to the Building Maintenance function. In the event where it is decided that the said asset needs to be disposed of, the process is executed by the Property Management function. The introduction of Service Delivery Agreements for each Infrastructure Project Implementation Plan facilitated a process whereby service delivery will not be compromised.

The Departmental Service Delivery Model speaks directly to this new strategic direction to deliver on the Government Immovable Assets Register and fully giving effect to the implementation of GIAMA.

The Executive Authority outlined outcomes in the overview section and the detailed outputs to be measured are contained in the sections on governance, compliance, financial and performance management below.

## **2. Vision**

A leader in the Provision and Management of Provincial Land and Buildings.

## **3. Mission**

Optimal utilization of resources in the provision and management of provincial land and buildings, and the coordination of the implementation of Expanded Public Works Programme (EPWP).

## **4. Values**

**The Limpopo Department of Public Works prides itself in the following values:**

- Happy People
- Professionalism

## **5. Legislative and Other Mandates**

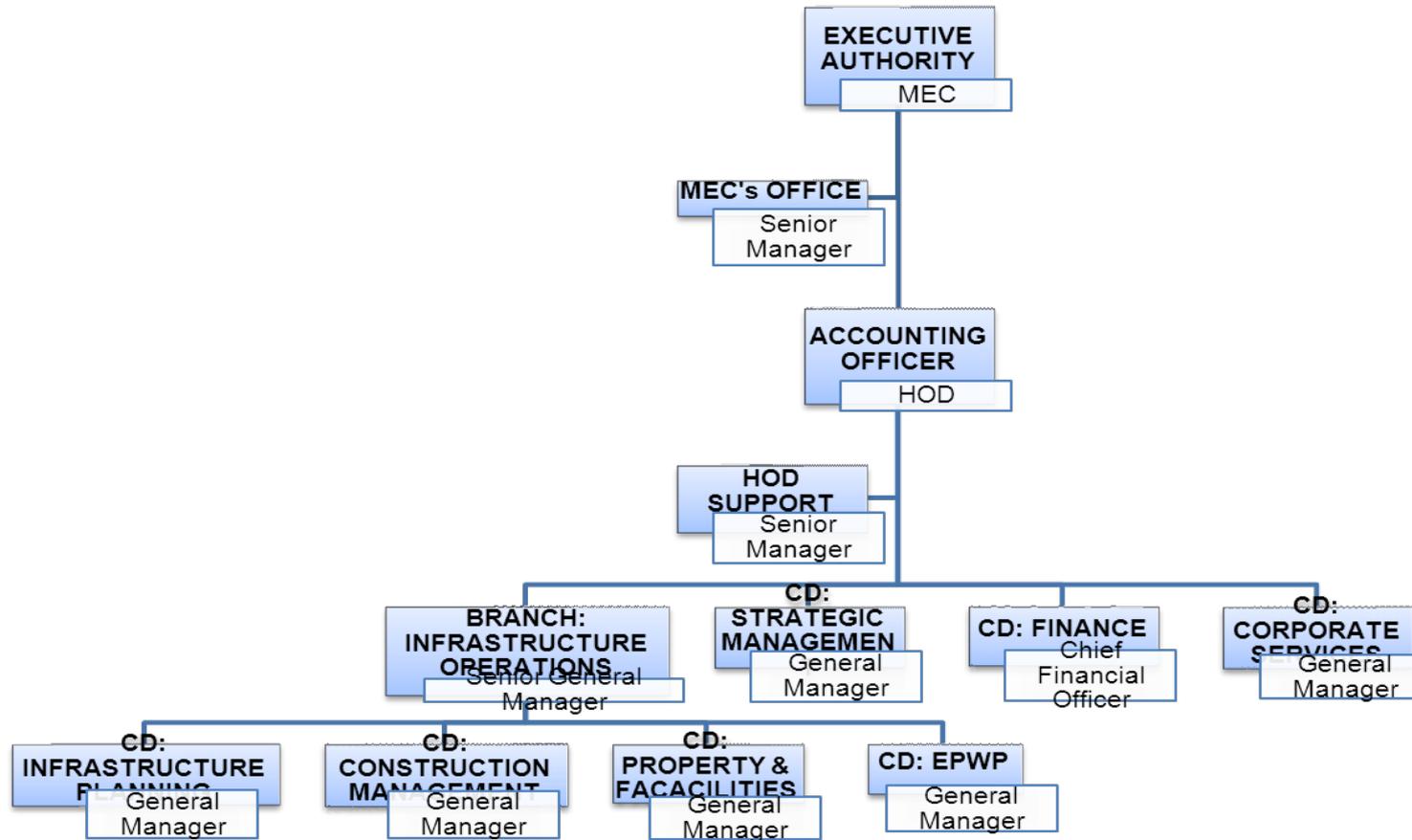
- Constitution of the RSA Act 108 of 1996
- Public Finance Management Act, (Act 29 of 1999)
- Labour Relations Act, (Act 66 of 1995)
- Public Service Act, (Act 103 of 1994)
- Basic Conditions of Employment Act, (Act 75 of 1997)
- Employment Equity Act, (Act 55 of 1998)
- Skills Development Act, (Act 97 of 1998)
- Compensation of Occupational Injuries and Diseases Act, (Act No 130 of 1993)
- Division of Revenue Act, (Act of 2008)
- Preferential Procurement Policy Framework Act, (Act 5 of 2000)
- Broad Based Black Economic Empowerment Act, ( Act 53 of 2003)
- Occupational Health and Safety Act, (Act 85 of 1993)
- Promotion of Access to Information Act, (Act No 2 of 2000)
- Promotion of Administrative Justice Act, (Act 3 of 2000)
- Protected Disclosure Act (Act 26 of 2000)

**The Department discharges its core responsibilities in terms of the following line function specific legislative mandates which are:**

- Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
- Construction Industry Development Board Act, (Act 38 of 2000)
- Deeds Registries Act, (Act 47 of 1937)
- Council for the Built Environment Act, (Act 43 of 2000)
- Architectural Professional Act, (Act 44 of 2000)
- Landscape Architectural Profession Act, (Act 45 of 2000)
- Engineering Professions Act, (Act 46 of 2000)
- Property Valuers Act, (Act 47 of 2000)
- Projects and Construction Management Profession Act, (Act 48 of 2000)
- Quantity Surveying Profession Act, (Act 49 of 2000)
- Town and Regional Planning Act, (Act 36 of 2002)
- Rating of State Property Act, (Act 79 of 1984)
- Land Affairs Act, (Act 101 of 1987)
- Land Titles Adjustment Act, (Act 111 of 1995)
- National Building Regulations and Building Standards Amendment Act, (Act 49 Of 1995)
- Housing Act, (Act 107 of 1997)
- Rental Housing Act, (Act 50 of 1999)
- National Heritage Council Act, (Act 11 of 1999)

## 6. Organisational Structure

Organisational configuration is denoted below as follows:



## 7. Public entities

There are no Entities that report to the Executive.

## 8. Foreword by Minister of the Department

It is a great honour and a privilege to present the Annual Report for the Limpopo Department of Public Works.

The primary mandate of the Limpopo Department of Public Works – confirmed by the Government Immovable Asset Management Act of 2007 (GIAMA) – is to improve and manage accommodation for our client Departments either through building or leasing.

The Department is in its 4th year of implementing the 5-year Departmental strategic plan since the electoral mandate of the 2009-2014 Medium Term Strategic Framework which outlined the five priorities of government. These priorities are education, health, the fight against crime, creation of decent work as well as rural development and land reform.

In line with the National Development Plan, national infrastructure development is a major driver of job creation. It remains the core business of the provincial Department to build schools to enhance the provision of quality education, and to construct functional hospitals, accessible clinics and health centres to support the provision of quality healthcare.

We are pleased to report that the Department has in the past four financial years worked tirelessly in developing infrastructure to ensure accommodation for government users, and that residents of the Province increasingly receive services in safe, reliable and serviceable learning and health facilities.

These efforts were underpinned by the intervention by national government in December 2011 in terms of section 100 (1) (b) of the Constitution of the Republic of South Africa. Working with the National Department of Public Works, the Limpopo Department of Public Works (LDPW) has focused on the following areas as part of a comprehensive turnaround strategy:

- Build the technical capacity to deliver on its core mandate. The LDPW has appointed professionals as part of its Infrastructure Delivery Management System (IDMS) to build sustainable technical capacity in the LDPW. Nine out of eighty six professionals have been appointed as part of this plan.
- The compilation of a complete and GIAMA compliant immovable asset register is key to proper planning and budgeting for maintenance and future infrastructure needs of the LDPW. To this end, the process of appointing a service provider to complete this exercise is advanced. This project will be completed by the 30 June 2014.
- The process to review the current lease portfolio to reduce the leasing cost from the current estimated R200m per annum has commenced and will be completed by the 31 October 2013. This will be followed by a feasibility study that will lead to the development and construction of a government owned precinct. This will house all the government departments in Limpopo in one location within Polokwane. This will be a sustainable investment in government infrastructure and will allow the Limpopo government to work more effectively and efficiently.

The Department embarked on a pilot to test its internal capacity to deliver projects using its in-house expertise repetition as opposed to tendering them outside. It is encouraging to report that the staff and personnel of the Department of Public Works proved equal to the task when they completed Mulima Traditional Council Office in Makhado. The utilization of in-house building teams brought the province financial savings, while creating 136 direct work opportunities to unemployed people of working age. Based on the success of the initiative the Department launched three more projects using the same delivery model.

In year under review the Department committed to complete three hospitals under the Hospital Revitalization Programme, namely Letaba, Maphutha-Malatjie and Thabamoopo hospitals. Six libraries were delivered which are Musina and Saselemani in Vhembe District; Mulati in Mopani District; Shongwane in Waterberg district; Vlakfontein in Sekhukhune District and Molepo Library in Capricorn District. The Department also build two market stalls.

To further strengthen infrastructure delivery management initiatives, the Executive Council adopted the Limpopo Infrastructure Delivery Management System (IDMS) in May 2012, to provide an orderly, uniform and systemic and sequenced way of acquiring, operating, maintaining and disposing of infrastructure. The planning and implementation of the Government Immovable Asset Management Act (GIAMA) remains a core business as the Department strive to ensure effective, efficient, planning and management of immovable assets within the province as part of improved service delivery.

Under the Expanded Public Works Programme (EPWP), the Department had a target to coordinate the creation of 102 763 work opportunities. Of this target the Department, through coordination achieved 91% by creating 93 377 work opportunities as at the end of the 4th quarter, however information in this area is still being validated by the National Department of Public Works.

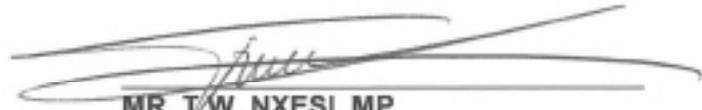
It is indeed a pleasure to announce that EPWP has again put Limpopo Province on the national map by scooping four Awards in the 2012/13 National Kamoso Awards. Limpopo is now rated number one in these two programmers, the Social Sector and the National School Nutrition programme. Furthermore, the following two projects in our province are also rated number one in the country; namely Rahlagane Table Grape as the best Co-operative Project, and Leolo Land Care as the reigning best Environmental Project.

During the 2012/13 Premier's Excellence Awards the Department of Public Works was announced as the top achiever in all provincial government Departments for the year under review, after winning the only Platinum award on offer for being the best support team. The recognition was for the work done by the Giyani Cost centre. A Gold prize was also awarded to Hlanganani Cost Centre in the "Best Service Delivery Team" category.

With regard to compliance matters, the provincial Department was able to achieve 99.97-percent record in the payment of invoices within 30-days. Sixty six percent of cases of fraud and corruption reported were resolved. Ninety two percent of case referred from the Presidential hotline and 85-percent were from the Premiers hotline were resolved.

The Department is determined to further improve delivery in the coming financial year.

“Re A Šoma”



**MR. T.W. NXESI, MP**  
**Minister of Public Works**  
**Executing Authority for Limpopo Department of Public Works**  
**Constitution of RSA Section 100 (1) (b)**

**30 August 2013**

## 9. Accounting Officer's Overview

The report for the Financial Year 2012-13 outlines achievements, challenges and context analysis of the Department as presented by the Management, Audit Committee and the Auditor General with oversight overviews by the Portfolio Committee on Public Works and SCOPA.

The Department provides the following services in line with its mission i.e.

- provision of government building infrastructure
- management of provincial land and buildings
- coordination of the implementation of the Expanded Public Works Programme (EPWP)

The Executive Committee of the Province approved the Infrastructure Capacitation Funding Plan during May 2012. The Department in response to that plan developed an ambitious plan which seeks to employ more than 120 professionals over the MTEF. The Treasury has provided more than R130 million for the funding of this plan.

During the current year the Department completed 84% of projects that were on the IPIP for the Department of Education. For the Department of Health the Department completed 20% project on the IPIP.

In order to speed up expenditure on the infrastructure the Department appointed a sole service provider for materials.

The Immovable Asset register project is on track to achieve a comprehensive asset register by the deadline of the 31 March 2014. Similarly, the lease review project to reduce the lease portfolio of the Province in favour of owned buildings and exercising options to buy where possible is on track.

The Department is considering different options in order to manage its property rental stock. The Department does not have the resources, the processes and the systems to manage this portfolio.

The total budget spending for the year was R748 million constituting 88.6% resulting in an under spending of R96 million; against the adjusted budget of R844 million. The under expenditure of R69 million in the Public Works Programme included is an amount for projects which were put on hold, and the suspension of procurement of services in building material for three capital projects and maintenance projects.

During the Financial Year, the Department collected Revenue amounting to R 34,599 million against the target of R18, 685 million, resulting in an over collection of R15, 7 million. The over collection was due to the fact that the Department received money from disposal of movable assets through auction.

### **Under spending occurred in the following programmes as indicated below:**

**Program 1** (Administration) under spent by R19 million

**Program 2** (Public Works) under spent by R69 million and  
**Program 3** (EPWP) under spent by R8 million

<b>Programme Name R'000</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>(Over)/Under Expenditure R'000</b>
Administration	R230, 192	R211, 383	R18, 809
Public Works	R579, 958	R510, 475	R69, 483
EPWP	R33, 852	R26, 165	R7, 687
<b>Total</b>	<b>R844, 002</b>	<b>R748, 023</b>	<b>R95, 979</b>

  
 Accounting Officer Section 100 (1) (b)  
 LDPW

31 May 2013

A photograph of a construction site with several workers in blue and orange uniforms and hard hats. They are working around a large pit filled with water. In the background, there are stacks of bricks and piles of sand. A green oval is overlaid on the center of the image, containing the text 'Part B: Performance Information'.

## Part B: Performance Information

## Part B: Performance Information

### 10. Strategic Outcome Oriented Goal

The aim of the vote is to provide and manage Provincial Government land and buildings through optimal utilisation of resources for efficient, accountable and customer oriented service delivery.

NO	PROGRAMME	SUB-PROGRAMME	PURPOSE OF THE PROGRAMME
1.	Administration	<ul style="list-style-type: none"> <li>• Office of the MEC</li> <li>• Corporate Services</li> <li>• Finance</li> <li>• Strategic Management</li> </ul>	To conduct overall leadership, administration and management of the Department providing an enabling environment for service delivery.
2.	Public Works	<ul style="list-style-type: none"> <li>• Construction Management</li> <li>• Property and Facilities Management</li> <li>• Infrastructure Planning and Design</li> </ul>	To provide building construction management, project management and building maintenance services to the Provincial Government. This Programme is responsible for overall management of immovable assets and infrastructure delivery.
3.	Expanded Public Works Programme	<ul style="list-style-type: none"> <li>• Programme Support</li> <li>• Construction industry innovation and empowerment</li> <li>• Sector co-ordination and monitoring</li> <li>• Project implementation</li> </ul>	The purpose of this programme is the coordination of the Provincial EPWP and creation of work opportunities for unemployed people of working age.

**11. Auditor General's Report: Predetermined Objectives**

Please refer to the detailed Report by the AG

**12. Overview of Departmental Performance**

<b>Main Appropriation R'000</b>	<b>Adjusted Appropriation R'000</b>	<b>Actual Amount Spent R'000</b>	<b>(Over)/Under Expenditure R'000</b>
R859,288	R844,002	R748,023	R95,979
Responsible Executive Authority	Minister of the National Department of Public Works:		
Administering Department.	Department of Public Works		
Accounting Officer	Administrator, Section 100 (1)(b) of the Constitution of the Republic of South Africa		

## Service delivery environment

None

## Service Delivery Improvement Plan

### Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Construction Management	Department of Education, Department of Health and Other Departments	Citizens	100% implementation of all projects on IPIP 2012/13 as at 31 March 2013.  100% implementation of IDMS initiatives.	DoE: 84% of projects on IPIP completed. DoH: 20% of projects on IPIP completed. Others: 100% of projects on IPIP completed.  Capacitation Infrastructure Operations Structure completed. Eight registered professionals appointed on contract.
Maintenance Management	Public Works Portfolio Parliamentary(Village and Government Complexes)	Clients Departments	Maintenance Implemented according to GIAMA prescripts	Outsourced projects at Government complexes: Vhembe- 92% complete. Sekhukhune-15% complete. 69% of logged job cards completed. (1 476/2 147)
Property and Facility Management	User Departments and Municipalities	Parastatals	100% compliance with GIAMA prescribes	Asset register updated at 98%

### Consultation arrangements with customers

<b>Type of arrangement</b>	<b>Actual Customers</b>	<b>Potential Customers</b>	<b>Actual achievements</b>
Provincial User Departments Forum (PUDF)	DoE, DoH and other Departments	Citizens	Meetings are held as planned.
Inter Departmental Forum (IDF)	DoE, DoH and other Departments	Citizens	Meetings are held as planned

### Service delivery access strategy

<b>Access Strategy</b>	<b>Actual achievements</b>
Regional Coordinating Centre (RCC) (Unscheduled maintenance)	98% of customers make full utilization of RCC.
Prestige Maintenance	100% of Customers at Parliamentary Village make full utilization of our Prestige Maintenance Unit.
Decentralised Construction Management	Customers travel less distance to get information on projects under construction.
IE-works (PFM)	Rates and taxes are paid at district level.
Job-Access Strategy	All existing buildings are modified to accommodate usage by all people and people living with disabilities.

### Service information tool

<b>Types of information tool</b>	<b>Actual achievements</b>
Citizen Report	Citizen's report is published annually.
Service Standards	Service standards were developed and published annually.
PAIA Manual	PAIA manual is reviewed and distributed to customers and potential customers.
Mishumo	Mishumo electronic newsletter is in place and published quarterly

## Complaints mechanism

<b>Complaints Mechanism</b>	<b>Actual Achievements</b>
PAIA Flow chart is in place	6 requests were made and 2 were granted access.
Suggestion boxes	Suggestion boxes to be re-launched in 2013/2014 financial year
Presidential Hotline	93% cases received and resolved.
Premier Hotline	85% cases received and all resolved

### **13. Overview of the organisational environment**

#### Organisational Environment

The Department operates as a key and strategic partner in infrastructure delivery for the provincial administration in line with the terms of GIAMA, which is amplified in the Strategic Plan and the Annual Performance Plans.

The mandate is by and large given effect in the Medium Term Strategic Framework, and priorities of government for speeding up growth and transforming the economy to create decent work and sustainable livelihoods and the massive programme to build economic and social infrastructure.

The Department is set to fulfil the following outputs mandated by government i.e.:-

- Enhance efficiency of the administration to deliver services
- Build an efficient and responsive infrastructure for improved access to services
- Improved management of government property for enhanced service delivery
- Well maintained government properties
- Decent jobs created through the Expanded Public Works Programme

### **14. Key policy developments and legislative changes**

#### **Revisions to Legislative and other Mandates**

There have not been any significant changes to the legislative and other mandates of the Department of Public Works except that the Department would henceforth be audited on the requirements of GIAMA when it comes to management of Immovable Assets.

The Department is under Section 100 1 (b) of the Constitution of RSA with the Minister of the National Department of Public Works as the Executing Authority.

**Summary of Departmental receipts**

Departmental receipts	2012/2013			2011/2012		
	Estimate Amount R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000	Estimate Amount R'000	Actual Amount Collected R'000	(Over)/Under Collection R'000
Tax Receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	22 177	28 706	(6 529)	14 957	19 422	(4 465)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	150	400	(250)	300	490	(190)
Sale of capital assets	619	4 651	(4 032)	550	615	(65)
Transactions in financial assets and liabilities	536	842	(306)	290	304	(14)

**Payments by programme**

Programme Name R'000	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	R230, 192	R211, 383	R18, 809	R253, 607	R241, 001	R12, 606
Public Works	R579, 958	R510, 475	R69, 483	R557, 991	R522, 665	R35, 326
EPWP	R33, 852	R26, 165	R7, 687	R26 235	R25 761	R474
<b>Total</b>	<b>R844, 002</b>	<b>R748, 023</b>	<b>R95, 979</b>	<b>R837, 833</b>	<b>R789, 427</b>	<b>R48, 406</b>

**15. Conditional grants and earmarked funds paid**

The conditional grants that the Department is responsible for is on the EPWP Incentive Grant advanced by the National Department of Public Works and the information is supplied below:

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme Incentive Grant
Expected outputs of the grant	500 work opportunities
Amount per amended DORA	9 545 000.00 (Total for Limpopo)
Amount received (R'000)	1 698 000.00
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	100%
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the receiving Department	Management Information System and Provincial EPWP Coordinating Committee

**16. Donor Funds**

There are no donor funds received by the Department.

## 17. Capital investment, maintenance and asset management plan

The Department planned to construct three Traditional Council Offices and one Cost Centre in the 2012/13 financial year using in-house teams. Progress on Traditional Council Offices was zero due to procurement problems. The plan to complete the construction of Ephraim Mogale Cost Centre was not achieved due to the challenges on procurement of building materials.

Refurbishment projects of two office blocks at Thohoyandou and Lebowakgomo Government Complexes were not completed as per plans because there was a delay due to incorrect specifications of Distribution boxes at Thohoyandou Complex and Lebowakgomo was delayed due to the relocation of staff from the Education Block. The refurbishment of office blocks and residential buildings was delayed due to the problems on procurement of building material.

Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. All projects have exceeded by 2% and reasons for the variance are given against each target in the table below:

<b>PROJECTS THAT WERE NOT COMPLETED IN THE 2012/13 FINANCIAL YEAR</b>				
<b>Performance Indicator</b>		<b>Actual Performance against Target</b>		<b>Reason for Variance</b>
		<b>Target</b>	<b>Actual</b>	
1	Percentage of work completed on Education Block at Lebowakgomo Government Complex	100%	15%	Re-location of the officials from the Education Block delayed the contractor to occupy the site.
2	Percentage of work completed Block E in Thohoyandou Government Complex	100%	92%	The delay was caused by incorrect specifications of DB boxes from the Electrical Engineer
3	Number of blocks of offices to be maintained	12	3	The delay in the procurement of material
4	Number of residential houses maintained	100	45	The delay in the procurement of material
5	Percentage of work completed on Construction of Ephraim Mogale Cost Centre	100%	35%	The delay in the procurement of material
6	Percentage of work completed on Construction of traditional council offices at Capricorn District	100%	0%	The delay in the procurement of material
7	Percentage of work completed on the	100%	0%	The delay in the procurement of

	construction of traditional council offices at Mopani District			material
8	Percentage of completion Construction of traditional council offices at Sekhukhune District	100%	7.5%	The delay in the procurement of material

### **Infrastructure**

Infrastructure projects that are currently in progress (list projects) and when are they expected to be completed,

1.	Refurbishment of Giyani Government Complex (Public Works)	Giyani	Mopani	R13 020 00.00	31/03/2014
2.	Refurbishment of Thohoyandou Government Complex (Block D)	Thohoyandou	Vhembe	R10,000,000.00	31/03/2014
3.	Installation of a Lift at Namakgale Offices	Giyani	Mopani	R5,500,000.00	31/03/2014
4.	Drilling of Borehole at MEC Residence	Lebowakgomo	Capricorn	R 530,000.00	31/12/2013
5.	Installation of Water Tank at Lebowakgomo Government Complex	Lebowakgomo	Capricorn	R2,000,000.00	31/12/2013
6.	Installation of Access Control at Parliamentary village	Polokwane	Capricorn	R3,000,000.00	31/03/2014
7.	Renovation of 14 office blocks	2 Capricorn, 4 Mopani, 1 Sekhukhune, 4 Vhembe, 3 Waterberg	All 5 districts	R6,500,000.00	31/03/2014
8.	Renovation of 94 Residential Houses	15 Capricorn, 18 Mopani, 16 Sekhukhune, 20 Vhembe, 25 Waterberg	All 5 districts	R6,500,000.00	31/03/2013
9.	Development of landscaping and gardens at Giyani Government Complex	Giyani	Mopani	R3,000,000.00	31/03/2013

**Plans to close down or down-grade any current facilities:**

There are no plans to close down or down-grade current facilities in the 2013/14 financial year.

**Progress made on the maintenance of infrastructure:**

The Department is faced with a huge maintenance backlog of three government complexes that is based on a survey that was conducted in 2006. Every financial year, the Department has set aside funding to refurbish one office block per complex due to budget constraints. The estimated costs of refurbishing the three complexes were R 96,866 million at the time of the audits and there was inadequate funding to address the backlogs in 1 financial year.

The maintenance and refurbishment of other government buildings (Offices and residential buildings) was based on the annual conditional assessments that are conducted by in-house inspectorate teams. In the 2011/12 financial year, 500 conditional assessments were conducted and 935 were conducted in the 2012/13 financial year. The same problem of inadequate funding is experienced with in-house maintenance projects. The results of conditional assessments are used to prioritise the maintenance projects over the Medium Term Expenditure Framework period.

Developments relating to the above that are expected to impact on the Department's current expenditure.

Projects that were not completed in the 2012/2013 financial year have been carried over to 2013/2014 financial year and a rollover of unspent funds was submitted to the Provincial Treasury.

In the 2013/2014 financial year, there is an allocation of R23, 020 million to refurbish one block of offices each in Giyani and Thohoyandou Government Complexes. However, the estimates of funding needed to address the backlogs are out-dated and the Department will conduct conditional assessments on the complexes to obtain current estimates.

Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft  
The Department has completed the disposal of 14 properties, and 29 land parcels were registered in the name of the Province during the financial year.

Measures taken to ensure that the Department's asset register remained up-to-date during the period under review.

The current state of the Department's capital stock, for example what percentage is in good, fair or bad condition:

There are three government complexes, 51 government offices, 2,016 residential units and structures that the Department maintains. On average 15% of the properties are in good conditions as they have been refurbished in the past 4 years.

The remainder are in a fair to bad condition given the fact that funding for maintenance is inadequate.

Major maintenance projects that have been undertaken during the period under review

The major projects for maintenance are the refurbishment of two office blocks at Lebowakgomo and Thohoyandou Government Complexes that accounts for 47% of the allocation of R 55,085 million.

The backlog that was established back in 2006 was reduced as the Department has embarked on an exercise to refurbish office blocks over a multi-year period in terms of the plan. The drawback is that when the Department completes the list, the projects that were started in 2007/08 would

need to be refurbished again.

There has been slow progress in the year under review due to procurement challenges and the Department is capacitating the key components that are responsible for the delivery of infrastructure. The IDMS principles have been adopted in the Department and posts are filled within the Finance, SCM and Infrastructure Units. Additional capacity was obtained through the appointment of professionals assigned to Property Management, Planning and Design and Construction Management Components.

Infrastructure projects	2012/2013			2011/2012		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	10,735	1,833	8,902	6,837	3,873	2,964
Existing infrastructure assets	--	-	-	-	-	-
Upgrades and additions	-	-	-	-	-	-
Rehabilitation, renovations and refurbishments	39,500	13,307	26,775	40,710	21,253	19,457
Maintenance and repairs	4,850	3,043	1,807	3,600	3,367	233
Infrastructure transfer	-	-	-	-	-	-
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
<b>Total</b>	<b>55,085</b>	<b>18,183</b>	<b>37,484</b>	<b>51,147</b>	<b>28,493</b>	<b>22,654</b>



<b>2.6 Immovable Assets</b>		
• Number of leases concluded in respect of provincially owned properties	22	20
• Number of properties acquired	0	0
• Number of new commercial leases concluded	0	0
<b>ANNUAL OUTPUT</b>		
<b>Programme 2: Public Works Infrastructure</b>		
<b>2.2 Planning</b>		
• Number of request received for new accommodation from user Departments in UAMP	12	12
• Number of new accommodation funding approved by PT	-	-
<b>2.3 Design</b>		
• Number of Infrastructure Project Management Plans received	4	2
• Number of projects registered	39	39
<b>2.5 Maintenance</b>		
• Number of projects identified for planned maintenance	80	80
<b>2.6 Immovable Assets</b>		
• Number of properties registered in asset register	1000	1043
• Number of properties verified in the asset register	1000	1043
• Number of properties leased-out	24	24
• Number of residential properties leased-out	-	-
• Number of buildings in a very good state	80	80

<ul style="list-style-type: none"> <li>• Number of buildings in an average state</li> <li>• Number of buildings in a poor state</li> <li>• Number of tenders awarded for bill board advertising on road reserves</li> </ul>	17	17
	3	3
	-	-
<b>2.7 Facility Operations</b>		-
Departments to formulate Province specific measures	1	2

## Performance Information by Programme

### Key Performance indicators and their targets and actual results

#### PROGRAMME 1: ADMINISTRATION

<b>Strategic Objective: Systems, processes and procedures developed and implemented</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target for 2012/2013</b>	<b>Variance from 2011/2012 to 2012/2013</b>	<b>Comment on variances</b>
Number of ICT services rendered and reported.	22	4	4	No deviations	18	Targets consolidated into single outputs
Number of stakeholder management reports produced.	20	4	4	No deviations	16	Targets consolidated into single outputs
Number of quarterly performance reports produced.	4	4	4	No deviations	No variance from 2011/2012 to 2012/2013	none
Number of Monitoring and Evaluation Reports produced	-	4	4	No deviations	4	New output
Number of Risk management reports produced	20	4	4	No deviations	16	Targets consolidated into single outputs
Percentage	39,5%	100%	46%	54%	15%	64% of 100% is

reduction of Debt account						irrecoverable
Amount collected in revenues	R20,341, 000	R18,685,000	R34,599,000	R15,914,000	R14,,258,000	Proceeds from auction
Number of wellness intervention programmes implemented	100% (43)	24	24	No deviations	19	Targets consolidated into single outputs
Number of skills development programmes implemented	2	4	16	12 The 4 skills programmes implemented throughout the four quarters.	14	Additional training requirements
Number of corporate acquisition reports developed	1	4	4	No deviations	3	Targets consolidated into single outputs

**Summary of payments by sub-programme**

	2012/2013			2011/2012		
Sub- Programme Name R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Administration	R230, 192	R211, 383	R18, 809	R25, 607	R241, 001	R12, 606
<b>Total</b>	<b>R230, 192</b>	<b>R211, 383</b>	<b>R18, 809</b>	<b>R25, 607</b>	<b>R241, 001</b>	<b>R12, 606</b>

**Strategy to overcome areas of under performance**

None

**Changes to planned targets**

None

**PROGRAMME 2: PUBLIC WORKS**

**SUB-PROGRAMME 1: PROPERTY AND FACILITIES MANAGEMENT**

Strategic Objective: <b>Improved management of immovable assets utilised for government service delivery</b>						
<b>Performance Indicator</b>	<b>Actual Achievement 2011/2012</b>	<b>Planned Target 2012/2013</b>	<b>Actual Achievement 2012/2013</b>	<b>Deviation from planned target for 2012/2013</b>	<b>Variance from 2011/2012 to 2012/2013</b>	<b>Comment on variances</b>
Amount paid for rates and taxes in line with devolved function	R28,058,817	R35,757,000	R33,053,000	R2,704,000	There is an improvement from 81% to 92% on expenditure from 2011/2012 to 2012/2013	Late submission of invoices by municipalities
Amount of arrear rentals collected	R569,000	R800,000	R1, 076,000	Target exceeded by R276,000	There is an increase on collection from 2011/2012 to 2012/2013	Improvement engaging defaulters.
Amount in rentals collected	R9,316,000	R12,100,000	R17,011,000	R4,911,000	There is an increase on collection from 2011/2012 to 2012/2013	Implementation of new rental tariffs

Amount in municipal service paid	0	R25,702,000	R23,338, 655	R2,363,000	No variance from 2011/2012 to 2012/2013	Late submission of invoices by municipalities
Percentage of accommodation provided in line with U-AMP's	87%	100%	95%	5%	Fewer lease contracts had lapsed at end on financial year	Landlords did not submit tax clearance certificates Target not set for the year
Number of land parcels transferred to municipalities	1	5	3	2	No variance from 2011/2012 to 2012/2013	Matter still to be finalised under the Intervention
Number of asset management plans coordinated in terms of GIAMA Framework	13	12	11	2	2 fewer departments submitted in 2012/13 compared to 2011/12	2 incomplete returned for rework
Number of Departmental user asset management plan completed in terms of GIAMA Framework	1	1	1	No deviations	No variance from 2011/2012 to 2012/2013	None
Number of custodian asset management plan completed in terms of GIAMA Framework	1	1	0	1	1	Non submission of U-Amps by 2 Departments hampered the process of developing a C-Amp
Percentage of provincial immovable assets in the register in	97.3%	100%	98.54%	1.5%	Number of assets in the IAR decreased due	Outstanding Information on fields on the template

terms of GIAMA minimum requirements					percentage of incomplete fields	
Percentage of work completed on Education bloc at Lebowakgomo government complex	0%	100%	15%	85%	The project commenced in the 2012/13 financial year	Delayed relocation of officials from the building to make way for the contractor to commence work
Percentage of work completed Block E at Thohoyandou government complex	0%	100%	92%	8%	The project commenced in the 2012/13 financial year	Delay in procurement due to incorrect specification of DB boxes by the Electrical Engineer
Number of blocks of offices maintained	5	12	3	9	The number of completed projects decreased from 2011/2012 to 2012/2013	Delay in the procurement of building material
Number of residential houses maintained	62	100	45	55	The number of completed projects decreased from 2011/2012 to 2012/2013	Delay in the procurement of building material
Percentage of work completed on construction of Ephraim Mogale Cost Centre.	35%	100%	35%	65%	No variance from 2011/2012 to 2012/2013	Delay in the procurement of building material
Percentage of work completed on	0	100%	0%	100%	The project commenced in	Delay in the procurement of

construction of traditional council offices at Capricorn district					the 2012/13 financial year	building material
Percentage of work completed on construction of traditional council offices at Mopani District	0	100%	0%	100%	The project commenced in the 2012/13 financial year	Delay in the procurement of building material
Percentage of work completed on construction of traditional council offices at Sekhukhune District	0	100%	7%	93%	The project commenced in the 2012/13 financial year	Delay in the procurement of building material
Number of jobs created	52	200	91	109	There was an adjustment in the number of jobs created from 2011/12 to 2012/13	Delayed relocation of officials from the building to ways for the contractor to commence work
Number of physical risk security assessments conducted	5	5	12	7	7 variance from 2011/2012 to 2012/2013	Reassessment of 7 sites where the new contracts were to be implemented
Number of physical security services contracts managed	26	26	25	1	There is 1 less site from 2011/2012 to 2012/2013	1 site was terminated because the Office of the Premier was accommodated in the offices

## SUB-PROGRAMME 2: CONSTRUCTION MANAGEMENT

Strategic Objective: <b>Improved management of Provincial land and building infrastructure</b>						
Performance Indicators	Actual Achievement 2011/2013	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013	Variance from 2011/12 to 2012/13	Comments on variances
Number of Infrastructure Programme Management Plan compiled	4	4	2	2	2	Non-submission by client Departments
Number of 2013-2014 Infrastructure Programme Implementation Plan (IPIP) compiled	0	4	3	1	No variance from 2011/2012 to 2012/2013	None
20 year infrastructure plan developed and implemented	1	1	0	1	1 variance from 2011/2012 to 2012/2013	No funding The project is coordinated by the Office of the Premier as per EXCO resolution Number 20 of 2012 on Infrastructure Development Management System (IDMS)
Number of delivery agreement signed	1	4	0	4	3 variance from 2011/2012 to 2012/2013	The Service Delivery Agreements for 11/12 were signed in the 1 <sup>st</sup> quarter. The 12/13 SDAs were signed by LDPW only.
Percentage of completed on condemned and congested schools programme	-	100%)	98%	2%	No variance from 2011/2012 to 2012/2013	Late confirmation of budget by client Department

1(Phase 1&2)						
Percentage of completed on condemned and congested schools programme 2(Phase 1&2)	-	100%	70%	30%	No variance from 2011/2012 to 2012/2013	Late confirmation of budget by client Department
Percentage of work completed on major maintenance of schools 4	-	100%	100%	No deviations	No variance from 2011/2012 to 2012/2013	None
Percentage of work completed on school upgrading (phase 1 & 2)	-	100%	0%	100%	No variance from 2011/2012 to 2012/2013	Late confirmation of budget by client Department
Percentage of work completed on Education Block A&B	-	100%	0%	100%	No variance from 2011/2012 to 2012/2013	Project put on hold by client Department
Percentage of work completed on school refurbishment (phase 1&2)	-	100%	0%	100%	No variance from 2011/2012 to 2012/2013	The budget was not confirmed by client Department.
Percentage of work completion on wellness 12/13 (phase 1&2)	-	100%	68%	32%	No variance from 2011/2012 to 2012/2013	Late confirmation of budget by client Department
Percentage of work completion on Hospital Revitalisation Programme (HRP)	-	100%)	20%	80%	No variance from 2011/2012 to 2012/2013	Legal dispute by the contractor
Number of long term maintenance contracts completed (long term)	-	3	0%	3	No variance from 2011/2012 to 2012/2013	Late appointment of BID Committee

Percentage of work completed on construction of libraries	100%	100%	100%	No deviations	No variance from 2011/2012 to 2012/2013	None
Percentage of work completed on maintenance of libraries	-	100%	0%	100%	No variance from 2011/2012 to 2012/2013	Late appointment of BID Committee
Percentage of work completed on construction of Market stalls	-	100%	0%	100%	No variance from 2011/2012 to 2012/2013	Project withdrawn by the client Department
Percentage of work completed on Renovation of hostel at Tompi Seleka	-	100%	0%	100%	No variance from 2011/2012 to 2012/2013	Late appointment of BID Committee
Percentage of work completed on construction new office at Molemole	-	45%	0%	45%	No variance from 2011/2012 to 2012/2013	Late appointment of BID Committee
Percentage of work completed on high voltage electrification at Tompi Seleka	-	100%	100%	No deviations	No variance from 2011/2012 to 2012/2013	None
Percentage of work completed on construction of service centre at Makhado	-	60%	0%	60%	No variance from 2011/2012 to 2012/2013	Late appointment of BID Committee
Number of facilities to be inspected for conditional assessment	-	500	935	435	No variance from 2011/2012 to 2012/2013	More requests received from the client Department

**Summary of payments by sub-programme**

	2012/2013			2011/2012		
Programme 2: Public Works	R579, 958	R510, 475	R69, 483	R452, 152	R435, 905	R16, 247
<b>Total</b>	<b>R579, 958</b>	<b>R510, 475</b>	<b>R69, 483</b>	<b>R452, 152</b>	<b>R435, 905</b>	<b>R16, 247</b>

**Strategy to overcome areas of under performance**

Project rescheduled for the 2013/2014 financial year.

**Changes to planned targets**

None

**PROGRAMME 3: EPWP**

Strategic Objective: <b>Coordinated and Attained EPWP phase2 targets by 2015</b>						
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target for 2012/2013	Variance from 2011/2012 to 2012/2013	Comment on variances
Number of EPWP Provincial Coordination reports produced	4	4	4	No deviations	No variance from 2011/2012 to 2012/2013	None
Number of youth in national Youth Service Programme in every quarter	400	400	0	400	400 variance from 2011/2012 to 2012/2013	CETA did transfer funds as per MOU
Number of work opportunities created using EPWP Incentives Grants	384	500	528	28	116 variance from 2011/2012 to 2012/2013 <sup>144</sup>	Additional money was received from National Department of Public Works

**Summary of payments by sub-programme**

	<b>2012/2013</b>			<b>2011/2012</b>		
Programme 3: EPWP	R33, 852	R26, 165	R7, 687	R26 235	R25 761	R474
<b>Total</b>	<b>R33, 852</b>	<b>R26, 165</b>	<b>R7, 687</b>	<b>R26 235</b>	<b>R25 761</b>	<b>R474</b>

**Strategy to overcome areas of under performance**

Discussion with the Construction Education Authority to release funding for the National Youth Service and Artisan Development programmes.

**Changes to planned targets**

There are no changes planned for the MTEF.

A wide-angle photograph of a construction site under a cloudy sky. Several workers in orange uniforms and hard hats are visible. Some are working on brick walls, while others are on a concrete slab. In the foreground, there are wheelbarrows, a pile of bricks, and two tall, narrow flags (one yellow with 'R' and one orange). A large green oval is superimposed over the center of the image, containing the text 'Part C: Governance'.

## Part C: Governance

## 18. Introduction

### Governance arrangement in place within the Department

#### Policies, procedures and strategy

The Department has strategies, policies and procedures in place to execute functional mandates derived from legislation and regulations and government wide frameworks which have been customised or adopted. The Department has further developed and approved a monitoring and evaluation framework for purposes of effective reporting. The M&E process still being reviewed for implementation in conjunction with Provincial Treasury Internal Audit and the Office of the Premier Monitoring and Evaluation Unit.

Feedback was given by the Office of the President on the Monitoring and Performance Assessment Tool (MPAT 2012) for the year under review and results show remarkable progress by the Department on implementation of the M& E function even if the system is still fairly new to the public service. The Department is in the process of compiling and implementing the guide on Management Performance Assessment Tool as directed by the Department of Performance Monitoring and Evaluation (DPME) together with Office of the Premier. The outcomes will be known once the Department receives feedback from DPME on incorporation of review recommendations. Policies relevant to internal operations of the Department are continuously reviewed, validated and duly approved by the Executing Authority.

#### Systems and capacity

Over the year, the Department's capacity has shrunk both in numbers and skill. For example, in November 1997 the Department had a staff compliment of 11,161. To date the staff establishment comprises 2,375 employees. The Department is embarking on a 5 year capacitation plan, which is focused on professionalising the Limpopo Pubic Works environment. The Department has an approved organisational structure which is currently under review to align it with the Infrastructure Delivery Management System (IDMS) capacitation plan.

There are systems in place to enable smooth implementation of transactions across all programmes e.g. PERSAL (for personnel management), FINEST (for procurement management), BAS (overall financial management and reporting), I-E Works (for payment of devolved rates and taxes) and other non-regulated systems e.g. Project Management System. The Department has also developed and mapped processes for all functions. The Department has a functional ICT platform for performance of its functions though it is aging at a rapid rate and need refurbishment urgently so that it does not collapse. A Disaster Recovery Plan is in place. Plans are underway as part of the intervention having prioritised ICT as critical project for implementation in both short, medium and long term in line with the National ICT policy and requirements of the National Department of Public Works.

- **Confirm auditable Portfolio of evidence**

The Department has filed and stored auditable information and documents to be presented as portfolio of evidence at its Registry and in the Information Management System. The Department is currently compiling portfolios of evidence for quarterly reports including variances and require individual employees to submit quarterly performance reviews with portfolios of evidence.

- **Confirm compliance to SMART criteria**

The Departmental Annual Performance Plan complied with the SMART criteria as analysed by the Provincial Treasury.

- **Alignment of APP to Strategic plan and budget**

The Annual Performance Plan was aligned to the Strategic Plan of 2009/2010 to 2014/2015 in Section 5.1 on the Performance Environment of the Department on pages 14, 15, 16 and 17 of the Strategic Plan and in the Annual Performance Plan PART A, Section 1, Sub Section 1.1 page 1 on Strategic Objectives. The details on the Budget are in Section 3, sub section 3.1 on Expenditure Estimates for the MTEF period page 2 of the 2012/2013 APP.

## **19. Risk Management**

### **The nature of risk management**

The Department is bound by its Constitutional mandate to provide services or products in the interest of the public. Since no organisation has the luxury of functioning in a risk-free environment, the Department is vulnerable to risks associated with fulfilling its mandates. The Department's risk profile included the following risk categories:

- a) Strategic risks
- b) Project risks
- c) ICT risks
- d) Compliance risks
- e) Financial risks
- f) Fraud risks
- g) Operational risks

## **Risk management strategies to identify and manage the risks**

To ensure comprehensive risk identification the Department identified the risk factors through considering both internal and external factors through appropriate processes. The strategies to reduce the threats and events that create risks were selected considering the cost/benefit principle.

The risk response strategies of avoiding the risk, treating the risk, transferring the risk to third parties, accepting the risk and exploiting the risk factors by implementing strategies to take advantage of opportunities presented were selected in developing a set of mitigating actions to align risks with the Department's risk appetite and tolerance levels. These interventions were constantly monitored to ensure that the Department effectively manages its key risks and achieve the set objectives.

The Department developed the monitoring and review processes as a performance measure to continuously monitor progress on the implementation of the risk mitigation action plan and the effectiveness of the risk management practices and processes.

### **Risk assessment**

The main purpose of risk assessment is to help the institution to prioritise the most important risks as the Institution is not expected to have the capacity to deal with all risks in an equal manner.

Risks were assessed on the basis of the likelihood of the risk occurring and the impact of its occurrence on the particular Departmental objectives it is likely to affect.

The risk assessment was conducted using a facilitated workshop approach, as the approach enables obtaining results at all levels of the Department and as the most suitable method so that all officials can collectively identify organisational risks and controls. The workshop participants came from core and support functions of the Department.

The principle of facilitation approach utilised for the risk assessment was based on the criteria:

- Confirmation of strategic priorities, goals and objectives based on the strategy of the Department.
- Identification of strategic risks that have an impact on the achievement of the Departmental strategic goals and objectives.
- Prioritised risks on the basis of impact and likelihood.
- Determining action plans/mitigating strategies that may need to be undertaken to manage those risks as well as responsible person and requisite timeframes.

The following were references used during the preparatory phase of the risk assessment:

- DPW Strategic Plan & Annual Performance Plan
- Public Sector Risk Management Framework
- Provincial Risk Management Framework
- DPW Risk Management Procedure Manual and policy

- Internal Audit Reports
- Auditor-General Report
- Management Reports

The risk assessment was performed through a three stage process (a) the inherent risks was assessed to establish the level of exposure in the absence of deliberate management actions or internal controls to influence the risk; (b) a residual risk was assessed to determine the actual remaining level of risk after the mitigation effects of management actions or internal controls to influence the risk; (c) the residual risk was benchmarked against the Department's risk appetite to determine the need for further management intervention.

The identified risks were assessed and evaluated in terms of potential loss/ impact, likelihood, inherent risk exposure index, perceived control effectiveness and residual risk exposure. The evaluation criterion is outlined in the Provincial Risk Management Framework.

## **20. Internal Control**

### **Internal Audit and Audit Committees**

#### **Audit Committee**

The Limpopo Provincial Administration took a decision of implementing a shared audit committee model which is run from Provincial Treasury. The audit committee has three clusters with four Departments under each cluster and a central audit committee where chairpersons of the three clusters report progress made by Departments affiliated to their cluster. Department of Public Works belongs to cluster 2 together with the Department of Roads & transport, Economic Development, Environment and Tourism and CoGHSTA.

#### **Key activities and objectives of the audit committee;**

- the availability of a well-resourced, functional and sustained internal audit function;
- sound relationship with all assurance providers, oversight structures and other stakeholders;
- effective and efficient Internal and External Audit processes
- promotion of sound functional interaction between the internal audit and other assurance providers;
- that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- Heads of Departments are fully supported in fulfilling their responsibilities in terms of the PFMA;
- accountability in terms of financial management and performance information for effective service delivery; and
- Compliance with relevant laws and regulations.

#### **Activities**

- Oversee the activities of the Internal Audit Function

- Interact with the Office of the Auditor General to ensure that there are no restrictions or limitations placed on the Auditor General and ensure that significant findings and recommendations made by the Auditor General are received, discussed and implemented timeously.
- Oversee management activities to ensure that the Accounting Officer carries out his/her responsibilities, as required by PFMA and Treasury Regulations
- Provide oversight over the Risk Management function
- Ensure that Information Technology risks are adequately addressed and obtain appropriate assurance that controls are in place and effective in addressing Information Technology risks
- Review the finance function of the Department annually
- Review the annual financial statements of the Department and its annual report

Attendance of audit committee meetings by audit committee members (Tabular form);

## **21. Fraud and Corruption**

### **The Department's Fraud prevention plan**

The purpose of this document is to provide guidance for Managers and Supervisors on their roles in preventing fraud and corruption.

The Department recognizes the impact of fraud and corruption on its ability to provide integrated, affordable and quality services to the Provincial Administration. As a result, the Department accepts fraud and corruption as an operational risk. Such acceptance, however, does not mean that it condones fraud and corruption. To the contrary, the Department commits itself to actively combat fraud and corruption, including all other acts of dishonesty on a zero tolerance basis.

The fraud prevention plan provides for, amongst others, the mechanisms for:

- The early detection of fraud and corruption.
- The investigation of fraud and corruption in order to minimize its negative impact.
- Special initiatives that need to be taken to prevent fraud and corruption

The investigations conducted to date have highlighted the following exposures to fraud and corruption risks:

- Misappropriation of funds/assets
- Conflict of interest and corruption
- Circumvention of internal controls
- Tender and other procurement irregularities
- Misuse of Departmental assets
- Misrepresentation.
- Collusion with suppliers
- Fraud and corruption
- Abuse of privileged information/ leakage of information.

The fraud prevention plan provides for processes in which the Department will mitigate, control and reduce the risk of fraud. The fraud prevention plan also provides for, mechanisms for the early detection of fraud and investigation of fraud offences to minimize the negative effects of fraud and corruption. The fraud prevention plan focuses on addressing the root causes of fraud and corruption.

Progress made in implementing the fraud prevention plan.

The Department has effectively implemented the fraud and corruption prevention strategy and plan. Fraud risk assessment has been conducted including the conducting of Fraud and Corruption awareness workshops in the Department as well as all five districts. All reported cases of fraud and corruption have been investigated and cases handed over to Labour Relations to proceed with disciplinary enquiries.

The Department has a whistle-blowing policy in place. The purpose of the policy is to provide means by which staff and members of the public are able to raise concerns with the appropriate line management, or specifically appointed person, where they have reasonable grounds for believing that there is fraud or corruption.

The policy and procedures are an extension of the integrated fraud and corruption management strategy and plan. They are also in line with the Protected Disclosures Act 26 of 2000, which became effective in February 2001, and provides protection to employees for disclosures made without malice and in good faith, in defined circumstances.

The whistle blowing policy roll out has been conducted throughout all five districts where officials were trained and on the policy document and on how to make confidential disclosures both internally and externally, reporting internally to designated officials and or the Head of the Department.

External reporting is to the Office of the Public Protector or the National Anti-Corruption Hotline on the Toll-free number 0800 701 701, Office of the President and Office of the Premier on dedicated hotlines.

## **22. Minimising Conflict of Interest**

The Department has developed the policy on remunerative work outside the Public Service. The purpose of this policy is to encourage employees to seek approval from the Executive Authority to conduct remunerative work outside the Public Service and for the declaration of financial interest as provided in the Public Service Code of Conduct. Furthermore employees who are involved in Bids Evaluation and Adjudication are required to complete declaration forms in every sitting of these committees.

Personnel who are involved in recruitment and are panel members are also required to complete declarations. All staff members working in high risk areas are subjected to security screening and vetting.

## **23. Code of Conduct**

The primary purpose of the Code of Conduct is to promote ethical behaviour as exemplary conduct. In order to promote a high standard of professional ethics in the workplace, public servants are encouraged to think and behave ethically. The Code of Conduct has been distrib-

uted to all employees of the Department during awareness and training workshops. The Code of Conduct touches issues related to relationship with Legislature, relationship with the public, performance of duties and personal conduct and private interest. This is also discussed and included in appointment letters of staff.

All employees shall be guilty of misconduct and may be dealt with in terms of the Disciplinary Codes and Procedures if the official contravenes any provision of the Code of Conduct or fails to comply with any provisions thereof.

#### **24. Health Safety and Environmental Issues**

Employees in the Department may be or can be exposed to different hazards, and it is the responsibility of the Department to minimise such exposure. The Department has put in place Occupational Health and Safety structures in all workstations, they are, the Safety, Health & Environment reps forum, Fire fighters and First Aiders as per the OHS Act. OHS Risk assessment survey was conducted and recommendations are being implemented, which are, conducting safety committee meetings quarterly, conducting OHS Audits with the aim of identifying hazards to ensure that the environment is safe; workshops on Personal Protective Equipment and safety at work campaigns.

The Department appointed 16.2 officials as per the OHS Act and organised training for supervisors on OHS and Compensation on Injury Disease. Medical surveillance was conducted to identify employees at risk as per main job specification and to ensure safety in the workplace. First Aid kits are provided to all workstations and construction sites. Compliance to the OHS Act is done quarterly through audits and meetings. Evacuation meetings are conducted and 2 evacuation exercises were also conducted. Monitoring reports were compiled and recommendations attended to.

#### **25. Portfolio Committees**

Composition of the committee:

1. Hon. Nemadzivhanani M – Chairperson
2. Hon. Maluleke J.
3. Hon. Kgalamadi G.
4. Hon. Nong E.
5. Hon. Maake S.
6. Hon. Sekoati S.
7. Hon. Mashamba G.
8. Hon. Ramadwa M.
9. Hon. Kennedy M.
10. Hon. Abrie J.

**Dates for meetings and oversight visit:**

##### **Meetings**

1. 03 May 2012
2. 24 August 2012

3. 20 September 2012
4. 01 November 2012
5. 30 November 2012
6. 22 March 2013

**Dates of oversight visit:**

Oversight was conducted on the 20th of September 2012 and 1st of November 2012

An oversight visit was conducted in the Capricorn District with a purpose of visiting visit schools constructed, blocks of offices maintained, houses maintained and completion of Mastec College.

**Areas of Risk and Action Plans**

The following risk area were identified by the Portfolio Committee and communicated to the Department as Resolutions of the House, The Department has submitted a progress report to the committee on action plans to implement the resolutions. This was done in the meeting of the committee held on the 30th of November 2013.

Areas of Risk	Action Plans
I. The reporting in future should include Millennium Development Goals (MDGs)	The Department continues to report on the following factors that directly contribute to MDGs: <ul style="list-style-type: none"> <li>▪ EPWP Coordinating Committee is monitoring the programme</li> <li>▪ Management Performance Assessment Tool (MPAT)</li> </ul>
II. Updating of Provincial Immovable Asset Register should be expedited.	1019 properties identified for update in the asset register in terms of GIAMA principles A service provider appointed in terms of Section 100 (1) (b) Intervention to assist the Department in management of the Immovable Asset Register

<p>III. Consistency should be maintained on the payment of rates and taxes on devolved functions.</p>	<p>Municipalities now confirm figures to the Auditor General repetition and the Department for purposes of the audit. A Task Team comprising of the Department, Treasury and COGHSTA has been constituted for verification of accounts on Rates &amp; Taxes.</p>
<p>IV. Reporting on leases should be improved.</p>	<p>A service provider appointed in terms of Section 100 (1) (b) Intervention to assist the Department in lease management. The process of renewing leases to commence three month before expiry.</p>
<p>V. Budgeting for maintenance of buildings should be prioritized.</p>	<p>The proposal for rental payment by user Departments is still at the Audit Committee level. Raising awareness on the obligation and importance of developing Asset Management Plans in time to form the basis of budgeting processes.</p>
<p>VI. Consistency should be maintained on the payment of rates and taxes on devolved functions.</p>	<p>A task team comprising of the Department, Treasury and CoGHSTA has been constituted to verify bills and amounts due to municipalities.</p>
<p>VII. Clear breakdown on EPWP job opportunities created should be reported per sector.</p>	<p>EPWP Provincial Coordinating Committee is monitoring the programme and ensuring data quality. Full implementation of the EPWP MIS System Data capturers in the Department are assisting implementing bodies on ensuring improved data integrity. National Department of Public Works is assisting the Department and Provincial Implementing Bodies in validation of EPWP reports on a quarterly basis.</p>
<p>VIII. The Department should continuously test the effectiveness of the ICT Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP).</p>	<p>ICT Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) approved and implemented. Province GITO has contracted State Information Technology Agency (SITA) to develop a provincial wide DRP and BCP and continuously assist Departments with implementation.</p>
<p>IX. The relocation of Service Delivery Improvement Programme (SDIP) to monitoring and evaluation should be reviewed.</p>	<p>The DPSA has completed the Organisational Functional Assessment (OFA). The service delivery model based on the OFA has been developed and the organisational structure reviewed. DPSA has noted that the review of the organisational</p>

	structure will include the job design and analysis of the Service Delivery Improvement unit in Strategic Management for recommendation to be re-established in the re-designed structure.
X. Defaulters should be made to pay their debts.	98 cases of defaulters owing R4 115 385 have been handed over to Legal Services. A Provincial Task Team has been established to look into the problem of rental tariffs.
XI. Recommendations on Occupational Health Safety (OHS) risk assessment should be fully implemented.	The Department is implementing recommendations of OHS Risk assessment and audits reports. Appointment of OHS Section16 representatives.
XII. Planning by client Departments should be improved.	EXCO resolution secured to urge Departments to submit projects in line with Infrastructure Delivery Improvement Program (IDIP). The Department is currently planning for the Education projects to be implemented in 13/14.
XIII. Turnaround strategy on arrear rental should be implemented so that collection on arrear rental is effected.	Appointing a debt collector.
XIV. Department Register for Litigations, handling of outstanding matters pertaining cases should be fast tracked to avoid negative legal implications on the Department.	The Department is considering the following interventions: Appointing a debt collector Establish a legal unit in the Department
XV. Management of Service Level Agreements (SLA) should be improved	The 2012/13 SLA has been updated to include the Infrastructure Delivery Management System (IDMS)
XVI. Improve Contract Management capacity of the Department	Critical posts have been approved by the HRTT and advertised on the 11 November 2012 and the HR Plan reviewed to ensure the filling of critical vacant funded posts.
XVII. Filling of critical posts	Critical posts have been approved by the HRTT and advertised on the 11 November 2012 and the HR Plan reviewed to ensure the filling of critical vacant funded posts.
XVIII. Capacitate Risk Management unit to fulfil its mandate.	Critical posts have been approved by the HRTT and advertised on the 11 November 2012 and the HR Plan reviewed to ensure the filling of critical vacant funded posts.
XIX. Follow up on resolving outstanding matters in relation to Resolutions of the House for period ending March 2013.	A meeting was scheduled with administrative staff of the committee to process a report to the committee of progress made as at the end of March 2013. The report will be tabled in the next meeting of the

	Committee once convened by the Secretary to the Portfolio Committee.
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**26. SCOPA INFORMATION**

**Dates the SCOPA meetings were held**

SCOPA hearings were conducted on the 31<sup>st</sup> of May 2012 and 8<sup>th</sup> of November 2012.

**27. SCOPA Resolutions**

<b>Resolution No.</b>	<b>Over</b>	<b>Details</b>	<b>Response by the Department</b>	<b>Resolved Yes/No</b>
<b>Resolution 1</b>	<b>Immovable Assets</b>	<p>The committee heard and considered evidence that immovable tangible capital assets balance in disclosure note 44 to the financial statements was adjusted by R 2 020 150 000. No sufficient and appropriate documentation was available to support this adjustment. Furthermore, a difference of R 114 986 822 was also identified between the underlying accounting records of the Department and the financial statements. Consequently, the Auditor General could not determine the effect on the immovable asset balance of R 2 494 768 000 (2010: R541 053 000) as disclosed in the financial statements.</p> <p>The Committee also heard that immovable tangible capital assets amounting to R 15 455 000</p>	<p>In updating the immovable assets register during the 2010/11 financial year, the Department did not keep track and records for adjustments that resulted from duplications, incorrect amounts and wrongly captured values. Consequently, when the Auditor-General requested the supporting documents and the audit trail for the movement from the opening balance of the amounts in the asset register and the closing balance, sufficient and appropriate documentation could not be availed. The immovable assets that were not included in the assets register were overlooked during the updating process. These</p>	The matter is not resolved

		<p>registered in the name of the Department were identified on the database of the Registrar of Deeds. These assets were not accounted and recorded in the financial statements of the Department. As a result, the Auditor General could not determine the effect on the immovable tangible assets balance in the financial statements.</p> <p>The Committee further heard that a significant number of immovable tangible assets have been recorded at R1 in the accounting records of the Department. In terms of the Departmental Financial Reporting Framework, immovable tangible assets should only be valued at R1 cost of the asset cannot be determined.</p> <p>However, the Department failed to provide evidence that a process was followed to determine the cost of these immovable assets could which have been determined and valued as per the requirements of the Departmental Financial Reporting Framework prescribed by National Treasury.</p>	<p>assets have since been added to the assets register because the Department has implemented a plan to download records of the Deeds Register for updating the assets register. A report on the updating of the assets register is issued monthly. In recording the assets at R1 value, the Department was being guided by the Departmental Financial Reporting Framework from National Treasury on pages 28 and 29.</p> <p>Currently, the Department is utilising an ordinary Excel spread sheet to account for immovable assets which has limited controls features. The National Department of Public Works was requested to avail the iE-Works asset management module for utilisation by the Department. The system has far better controls as it is able to validate information before accepting such inputs. A team from the Department is currently reworking the spread sheet to enable an upload of the asset register on to the iE-Works system</p>	
<b>Resolution 2</b>	<b>Movable Tangible Capital Assets</b>	The Committee heard and considered evidence that the accounting records of the	No action has been taken against the Accounting Officer of the Department since the	The matter is not resolved

		<p>Department did not in all instances include asset numbers and the location thereof to enable the Auditor General was unable to verify the existence of movable tangible capital assets amounting to R 4 721 530 included in the amount disclosed as per note 42 to the financial statements. The Department records did not permit the application of alternative audit procedures regarding the existence of movable tangible capital assets. The committee heard that the accounting records of the Department included a significant number of assets whose corresponding acquisition costs were not recorded. The movable tangible assets balance of R 121 931 000 per disclosure note 42 in the financial statement is therefore understated by an unquantifiable amount. The Committee noted that the Auditor General identified movable tangible capital assets amounting to R 1 021 332 which were not included in the accounting records and financial statements of the Department. As a result, the Auditor General could not quantify the total value of assets that were not accounted for in the financial statements. The Committee further noted that movable tangible capital assets</p>	<p>then Accounting Officer has left the Department. The Department has drawn FINEST and BAS report for purposes of reconciling the information on movable assets with Asset verification report. This exercise revealed that 80% of the assets are reconciling and the remaining 20% of assets revealed discrepancies such as acquisition cost, asset numbers, location and asset users and these issues currently being investigated. The investigation is envisaged to be completed during the fourth quarter of the current financial year. The asset management framework states that “a capital asset is recorded in the asset register on receipt of the item at cost. Cost of a capital asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1 (chapter 9-Accounting for Capital Assets)”. Hence the Department recorded assets found on the floor at R1</p>	
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		<p>balance of R121 931 000 as disclosed in note 42 of financial statements, does not agree to the balance of R 98 156 624 per the accounting records. The Department did not reconcile the difference of R 23 774 376 between the financial statements and the underlying accounting records, and the effect on the balance could not be determined. The Auditor General identified assets to the value of R 1 626 219 that have been duplicated in the accounting records and included in the financial statements balance of R 121 931 000.</p> <p>The Committee also heard that movable tangible assets balance includes significant number of assets acquired after 1 April 2002 which were recorded at R1, which is in contravention of the Departmental Financial Reporting Framework, which allows R1 values to be assigned only to those assets required prior to 1 April 2002 and where documentation to establish the cost is unavailable.</p> <p>The Committee heard and raised concern that the Accounting Officer did not implement proper control systems for the safeguarding and maintenance of assets to prevent theft, losses, wastage and misuse as required</p>	<p>value.</p> <p>Departmental assets kept at Head Office and district offices are safeguarded by security personnel on 24 hour basis. Furthermore, assets are kept in lockable facilities such as storerooms and strong rooms. Circulars to remind officers on proper asset management are being issued on regular basis. Pass out books are completed by officials for all assets coming in and out of the offices.</p>	
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		<p>by Treasury Regulations 10.1. The Committee recommends that the MEC must take appropriate action against the Accounting Officer as required by PFMA. It is further recommended that the Department must conduct proper management of assets as required by PFMA, including the development of proper asset management register by 31 December 2012. The Department must develop a plan to properly record, reconcile and verify assets.</p> <p>A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>		
<b>Resolution 3</b>	<b>Receivable</b>	<p>The Committee heard and considered evidence that rental debtors of R10 679 000 in disclosure note 34 of the financial statements includes transactions amounting to R 6 842 000 for which no supporting documentation was provided. Consequently, the Auditor General did not obtain sufficient appropriate evidence to satisfy him as to the existence, valuation, rights and obligations of this amount included in the balance of R 10 679 00 (2010: R4 681 000). The Committee heard that the Department did not maintain an age analysis for rental debtors</p>	<p>During the 2010/11 financial year, the Department embarked on an exercise to audit all leases and the rental stock to verify the opening balances that were used. At the end of the exercise and after checking every tenant's file, the revised total amount of arrears amounted to R 10,679,000.</p> <p>The audit of leases revealed that the files and records were not updated regularly, and this forced the teams to rework almost all the files. Evidence in the files of tenants did not show the movement of</p>	<p>The matter is not resolved</p>

		<p>balance of R 10 679 000 disclosed in the financial statements. As a result, the Auditor General was unable to determine the adequacy of the impairment provision of R 277 000 (2010: R 330 000) as disclosed in note 40 of the financial statements.</p> <p>The Committee further heard that the Department could not provide supporting documentation amounting to R 813 417 included in the receivables balance of R 1464 000(201: R 1 795 000) as disclosed in the financial statement. The Department records did not permit the application of alternative audit procedures, and as a consequence, the Auditor General did not obtain sufficient appropriate evidence to satisfy him as to the existence, valuation, allocation and rights pertaining to this amount.</p> <p>The Committee recommends that appropriate action must be taken against the responsible officials. It is further recommended that the Department must ensure that there is proper record management system which is regularly updated. The Department must also ensure that they maintain an age analysis for all rental debtors. A report on the implementations must be</p>	<p>balances R 3,837,000 to R 10,679,000 because individual files were updated with missing information that brought the balance up. The Department has appointed dedicated officials to maintain proper records and ensure that an age analysis is kept in each file of rental debtors.</p>	
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		forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.		
<b>Resolution 4</b>	<b>Accruals</b>	<p>The Committee heard and considered evidence as per disclosure note 31 to the financial statements that an amount of R 11 328 000 (2010: R 2 802 575) was payable by the Department to municipalities in the province for arrear rates and taxes. The Committee noted that due to lack of adequate reconciliations, the Department could not provide sufficient appropriate audit evidence to support the balance in the financial statements. The Auditor General also identified that the balance excluded amounts of arrear rates and taxes for fourteen (14) municipalities in the province. External confirmations that were requested from these municipalities also did not yield any results, and consequently, the Auditor General did not obtain sufficient appropriate audit evidence to satisfy him as to the existence, completeness and valuation of this balance in the financial statements.</p> <p>The Committee recommends that appropriate action be taken against the responsible officials. It is further recommended the Department must develop system of control over accruals, and</p>	<p>The Department initially embarked on an exercise to interact with municipalities through the districts offices as they are closer to municipalities. The plan was to reconcile municipal accounts and confirm balances to avoid discrepancies. The results of the audit of 2011/12 showed that the exercise was not a success as there were still discrepancies between amounts that were confirmed to the Department and the confirmation to the Auditor-General.</p> <p>In taking the matter forward, the Department has established a tripartite partnership with the Provincial Treasury and the Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA) to interact with each municipality to reconcile accounts and settle differences so as to disclose similar amounts at the reporting stage.</p>	The matter is not resolved

		ensure that accruals are reconciled and properly recorded. A report on the implementations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.		
<b>Resolution 5</b>	<b>Significant uncertainty</b>	<p>The Committee heard and considered evidence as also disclosed in note 29 to the financial statements that the Department is currently involved in litigation with service providers and third parties. The ultimate outcome of the matters could not presently be determined, and no provision of any liability that may result has been made in the financial statements.</p> <p>The Committee further heard that with regard to litigation with one specific service provider, there were payments made by the Department amounting to R 47, 1 million. The value of such services received by the Department will only be determined with reasonable certainty after the court ruling. Depending on the outcome of the ruling the payments made to the service provider could result in potential fruitless and wasteful expenditure.</p> <p>The Committee further noted that the litigation case is still at the Arbitration, however the</p>	<p>The payments made to the service provider were effected based on the output that was confirmed by the Project Manager at that time. The dissatisfaction with the service provider arose when the latter submitted an invoice of R 13 million claiming for the work done without seeking prior approval from the Department in violation of an addendum to the Service Level Agreement that was signed in order to afford the Department an opportunity to pre-approve any work before it is undertaken.</p> <p>The matter was referred to the Office of the State Attorney for arbitration as provided for in the terms of reference/service level agreement signed by the two parties. The Office of the state Attorney appointed Advocate Tokota SC to represent the State. Unfortunately, the Advocate Tokota SC is no longer</p>	The matter is not resolved

		<p>contingency loss may be R13 million (plus interest) and the legal costs if the Department loses the case.</p> <p>The Committee recommends that appropriate action must be taken against the responsible officials. It is further recommended that the Department must establish mechanisms and systems to prevent litigation cases and report the outcome of those litigation cases. A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>	<p>available due to other serious commitments. The State Attorney's Office has appointed Advocate JH Dreyer SC from Pretoria Bar to represent the State during the arbitration proceedings. According to the letter dated 24 October 2012 received from the State Attorney's Office they indicated that the arbitration proceedings will take place on the 30, 31 January 2013 and 1<sup>st</sup> of February 2013 and they have already started briefing the new Advocate.</p>	
<b>Resolution 6</b>	<b>Usefulness and reliability of Information</b>	<p>The Committee heard and considered evidence that for the public Works programme, 42% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently. The Committee further heard that for the Project Management sub-programme of Public Works, 37% of the reported indicators were not accurate based on the source information or evidence provided. In addition, sufficient appropriate evidence to support the reasons for major variances between the planned and actual reported targets for the Public Works programme could not be</p>	<p>The Department is now ensuring that all reported targets on the Annual Performance Plan are substantiated by a portfolio of evidence. This includes the reasons for major variances between the planned and the actual reported targets. The Department also include a template on the progress report which indicates how the percentages were calculated on the project at a given time.</p>	The matter is resolved

		<p>obtained. Sixty one percent (61%) of the reasons for major variances could not be verified. The Committee recommends that appropriate action must be taken against the responsible officials. It is further recommended that the Department must ensure that the reported performance information is consistent with the approved strategic and annual performance plans. A report on the implementation of these recommendations must be forwarded to SCOPA and Portfolio Committee on Public Works by 30 November 2012.</p>		
<b>Resolution 7</b>	<b>Compliance with Laws and Regulations</b>	<p>The Committee heard and considered evidence that the Accounting Officer did not ensure that the Department had and maintained an effective, efficient and transparent system of the internal control regarding performance management, which prescribed and represented how the Department's processes of performance planning, monitoring measurement, review and reporting were conducted, organised and managed as required by section 38(1) (a) (i) and (b) of the PFMA. The Committee heard that the Accounting Officer submitted financial statements for auditing that were not prepared in all material aspects in accordance</p>	<p>No action has been taken against the Accounting Officer of the Department since the then Accounting Officer has left the Department. Performance information is informed by the guideline issued by the National Treasury on Strategic Planning 2010-14. The Annual Performance Plan 2010/11 and 2011/12 are in place and are in compliance with the framework on Annual Performance Plans and Quarterly Reporting issued by Treasury. The Strategic Plan of the Department is in place for the period 2010/2014. Annual Performance Plans were</p>	<p>The matter is not resolved</p>

		<p>with generally recognized accounting practice and supported by full and proper records as required by section 40(1)(a) and (b) of the PFMA. Certain material misstatements identified by AGSA with regards to a statutory funds expenditure and disclosures items were subsequently corrected, however, the uncorrected material misstatements resulted in the financial statements receiving a qualified opinion in contravention of section 40(3)(a) of the PFMA. The Committee further heard that oversight responsibility regarding and performance reporting and compliance and related internal controls was not exercised, and that financial statements and other information to be included in the annual report are not reviewed for accuracy and completeness. The Committee noted that controls over daily and monthly processing and reconciling of transactions were not implemented.</p> <p>The Committee recommends that the MEC must take appropriate action against the Accounting Officer as required by PFMA. It is further recommended that the Department must develop and maintain effective, efficient and transparent internal control systems regarding financial and performance management as</p>	<p>presented and approved by the Legislature after tabling. Quarterly Reports have been submitted to all oversight bodies i.e. Provincial Treasury, Portfolio Committee and Office of the Premier as required by the reporting framework stipulated. The Department has since improved on the quality of its Annual Performance Plans as indicated in the Analysis reports issued by the Provincial Treasury. Quarterly reports were submitted to support reporting requirements on targets in the Annual Performance Plans and resolutions were subsequently passed by the Legislature as Resolution of the House on Quarterly Reports and the Department has submitted reports indicating planned and implemented improvements. The Department is also submitting an electronic version of the Quarterly Performance Report to Treasury as part of Monitoring and Evaluation (M &amp; E) on customized indicators and significant variances are rectified and corrected with the assistance of Provincial Treasury. The recognition of</p>	
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		<p>required by PFMA. The Department must also ensure that financial statements and other information are reviewed before they are submitted for auditing. A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>	<p>the vast improvement in performance planning is therefore indicated in the attached documents. The Department has put in internal control measures compliance with the National Treasury Practice Note in terms of the preparation of monthly and quarterly financial statements. The financial statements are submitted to an assessor in Provincial Treasury for analysis and review. The recommendations by an assessor are implemented timeously. The Department has developed a compliance register and issues monthly compliance reminders to all programmes to meet the deadlines of submitting financial information required for the preparation of financial statements. The compliance reminders remind programmes on prescribed dates for submitting financial information to Provincial Treasury. The Department has requested Provincial Treasury to conduct a workshop for the preparation of financial statements to Departmental officials in</p>	
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			Strategic Finance improve and enhance their financial accounting skills.	
<b>Resolution 8</b>	Procurement and contract management	<p>The Committee heard and considered that sufficient appropriate audit evidence could not be obtained that goods and services within a transaction value of over R500 000 were procured by means of a competitive bidding process as per the requirements of TR 16A6.1, TR 16A6, 4 and National Treasury Practice Notes 6 and 8 of 2007/08.</p> <p>The Committee heard that awards were not always made to suppliers based on criteria that are consistent with original invitations for bids as per the requirement of a fair supply chain management system in TRA3.2. Awards were to suppliers who failed to provide written proof from the South African Revenue Service that their tax matters are in order as per the requirements of Preferential Procurement Regulations 16 and TR 16A9.1(d). In addition, awards were to bidders who did not submit an SBD 4 declaring whether the bidder or any person connected with the bidder is employed by the state or if the bidder is a legal person, whether the bidder has a relationship with</p>	<p>Officials who conducted remunerative work:</p> <ul style="list-style-type: none"> <li>-Manamela MKM: The Department is awaiting a report from Correctional Services</li> <li>-Baloyi F: The hearing has been finalized</li> <li>-Letsoalo M: The matter has been finalized</li> <li>-Nkuna J: The hearing is still pending</li> <li>-Maphaha M: the official resigned from the company. The matter I finalized</li> <li>-Phadu J.K: The hearing is finalized but awaiting chairperson's decision</li> <li>Kgatle T.W: The matter has been referred to Legal Services for recovery. SCM unit has been reshuffled in December 2011 to deal with all the issues of non-adherence to supply chain prescripts. Emergency procurement has been abolished indefinitely hence this was a major source of the audit findings in Supply Chain. The non-completion of all supply chain forms lead to automatic disqualification</li> <li>Security Contracts which</li> </ul>	

		<p>persons as per the requirement of Practice Note 7 of 2009/10. The Committee also heard that contracts were extended or modified to the extent that competitive bidding processes were being circumvented contrary to the requirement with persons of a fair supply chain management system in TR 16A3.2.</p> <p>The Committee heard and raised concern that employees performed remunerative work outside their employment in the Department without written permission from the relevant authority as per the requirement of section 30 of the Public Service Act.</p> <p>Furthermore, awards were made to bidders who did not submit SBD 9 declaring whether the bidder or any person connected with the bidder is employed by the state or if the bidder is a legal person, whether the bidder has a relationship with persons as per the requirement Practice Note 21 of 2009/2010.</p> <p>The Committee recommends that the MEC must take appropriate action against the Accounting Officer as required by PFMA. It is further recommended that the Department must develop systems and procedures to detect employees doing remunerative</p>	<p>expired in 2010 and renewed on a month to month basis have been advertised, evaluated and adjudicated and appointment expected by 1<sup>st</sup> of April 2013 once State Security Agency has finalised vetting of companies and their directors.</p>	
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		<p>work, to ensure that there is compliance with procurement and contract management rules and regulations.</p> <p>The Committee further recommends that action must be taken against employees who did remunerative work without approval and that steps be taken to recover money earned irregularly by those employees, and their companies or CCs be blacklisted by 31 December 2012. A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>		
<b>Resolution 9</b>	<b>Expenditure Management</b>	<p>The Committee heard and considered evidence that the Accounting Officer did not take effective and appropriate steps to prevent fruitless and wasteful expenditure and irregular expenditure, as per the requirements of section 38(1)(c)(ii) of the PFMA and TR 9.1.1. Furthermore the Department in its capacity as a procuring agency for certain Departments in the province have resulted in irregular expenditure being incurred at the user Departments.</p> <p>The Committee recommends that the MEC must take appropriate action against the Accounting Officer as required by PFMA. It is</p>	<p>The Department is on regular basis engaging municipalities to ensure that bills are received timeously to avoid interest charges on accounts for the Department.</p> <p>Furthermore, officials from the Department are visiting municipal offices on regular basis to collect bills in order to expedite the payments.</p> <p>The situation has improved tremendously since bills from municipalities and ESKOM are received on time. Our monthly report on fruitless and wasteful expenditure shows a zero balance on all accounts from municipalities.</p> <p>The Department has to date</p>	

		<p>further recommended that the Department must conduct proper expenditure management and develop a plan to prevent irregular, fruitless and wasteful expenditures. A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>	<p>incurred fruitless and wasteful expenditure amounting to R 231.74 which is a significant decrease as compared to the previous year's account balance.</p> <p>The automated payment tracking system is not operational but currently the Department is using manual system. The transversal automated payment tracking system is envisaged to be implemented in 2013/14.</p>	
<b>Resolution 10</b>	<b>Revenue Management</b>	<p>The Committee heard and considered evidence that the revenue received by the Department was not always deposited into its Paymaster-General account on a daily basis as per the requirements of Treasury Regulations 15.5.1. The Committee also heard that the accounting officer did not take effective and appropriate steps to collect all money due to the Department, as required in terms of section 38(c) (ii) of the PFMA. The Committee recommends that appropriate action must be taken against the responsible officials as required by PFMA. It is further recommended that the Department must take effective and appropriate steps to collect all money owed to them and deposit it into the Paymaster-General account as per TR 15.5.1</p>	<p>The Department conducted investigations and the disciplinary hearing proceedings will be instituted in the near future. The challenges raised by our revenue collection points at district offices, that there was a shortage of transport for banking purposes has been resolved since vehicles have been allocated.</p>	<p>The matter is not resolved</p>

		requirements. A report on the implementation of these recommendations must be forwarded to SCOPA and Portfolio Committee on Public Works by 30 November 2012.		
<b>Resolution 11</b>	<b>Governance</b>	<p>The Committee heard that risks assessment procedures implemented by the Department were not adequate, as all risks affecting the Department were not identified.</p> <p>The Committee recommends that appropriate action must be taken against the responsible officials. It is further recommended that the Department must conduct a detailed risk assessment and develop strategies to prevent and manage those risks.</p> <p>A report on the implementation of these recommendations must be forwarded to SCOPA and Portfolio Committee on Public Works by 31 October 2012.</p>	<p>The Department considers the audit findings by the Office of the Auditor-General as contained in the management letters and the audit reports when conducting the Departmental strategic risk assessments and programme operational risk assessments. During the financial year under review the auditors identified the risk of data quality relating to integrity of performance information and the identified risk has been incorporated in the risk register and the operational risk management plan for Strategic Planning unit for purposes of mitigating the risk to an acceptable level.</p> <p>During the current financial year the Department has conducted both strategic and operational risk assessments to identify emerging risks. The detailed risk assessment reports have been developed and progress report on the implementation of the plan is compiled on a quarterly basis and performance submitted</p>	The matter is resolved

			to the Audit Committee for performance assessment.	
	<b>Governance</b>	<p>The Committee heard and considered evidence that oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not exercised. Matters reported prior years were not fully addressed. The Committee heard the accounting officer did not implement HR management effectively to ensure that adequate and sufficient skilled resources are in place. The Committee recommends that the MEC must take appropriate action against the Accounting Officer. It is further recommended that the Department must develop effective internal control measures and procedures for performance reporting, management and compliance with rules and regulation. A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>	<p>A recruitment plan was developed and approved on the 08 July 2011 by the Head of Department. The recruitment plan was not fully implemented due to austerity measures introduced as a resolution of the extended budget lekgotla in September 2011. EXCO further resolved to reduce compensation of employees by 2 % annually which affected the process of ensuring that sufficiently skilled resources are in place. The PERSAL clean exercise was completed during November 2012. Before the exercise was implemented there were 7280 posts and presently there are 2756 posts and 98 are vacant posts, 2658 are filled.</p>	
<b>Resolution 12</b>	<b>Leadership</b>	<p>The Committee heard and considered evidence that oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not exercised. Matters reported prior</p>	<p>A recruitment plan was developed and approved on the 08 July 2011 by the Head of Department. The recruitment plan was not fully implemented due to austerity measures introduced as a</p>	<p>The matter is resolved</p>

		<p>years were not fully addressed. The Committee heard the accounting officer did not implement HR management effectively to ensure that adequate and sufficient skilled resources are in place. The Committee recommends that the MEC must take appropriate action against the Accounting Officer. It is further recommended that the Department must develop effective internal control measures and procedures for performance reporting, management and compliance with rules and regulation. A report on the implementation of these recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 30 November 2012.</p>	<p>resolution of the extended budget lekgotla in September 2011. EXCO further resolved to reduce compensation of employees by 2 % annually which affected the process of ensuring that sufficiently skilled resources are in place. The PERSAL clean exercise was completed during November 2012. Before the exercise was implemented there were 7280 posts and presently there are 2756 posts and 98 are vacant posts, 2658 are filled.</p>	
<b>Resolution 13</b>	<b>Performance Cash Bonus</b>	<p>The Committee raised concern that the Department had a qualified audit opinion from the Auditor General in the current financial year. The Committee is also concerned about the progress made to achieve 2014 clean audit. The Committee also raised that going forward the Department must link performance cash bonuses with the audit outcomes. The Committee recommends that all SMS must not get cash bonuses. A report on the implementation of these</p>	<p>The Department has not been paying performance bonuses and pay progression since 2007/08 financial year for SMS members. It should however be noted that in the implementation of this resolution there has been a legal challenge of which the case has been closed. Similarly, it should be noted that the current Performance Management System in the Public Service does not have a provision to link performance incentives with</p>	<p>The matter is resolved</p>

		recommendations must be forwarded to SCOPA and the Portfolio Committee on Public Works by 31 October 2012.	the Auditor General's outcome. However, the Department has ensured that the 2012/13 Performance Agreements for SMS members have a key result area on unqualified audit report without matters of emphasis and SMS members' performance is evaluated on this aspect.	
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## 28. REPORT OF THE AUDIT COMMITTEE ON DEPARTMENT OF PUBLIC WORKS

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee Members and Attendance:

Limpopo has an Audit Committee structure which is two tiered consisting of the 3 Cluster Audit Committees, dealing with specific Departments, and a shared Central Audit Committee. The contract of the Audit Committee expired on the 31st of December 2012 and the new AC was appointed on the 1st of May 2013.

During the current financial year 4 Cluster Audit Committee and 4 Central Audit Committee meetings were held. The Audit Committees consisted of the members listed hereunder and met at least 4 times per annum as per the approved terms of reference.

### Cluster 2 Audit Committee:-

Name of Member	Number of meetings attended
Mr. C.M. Mannya – Chairperson	4
Mr. I.I. Osman	4
Ms. M.C. Marishane-Chuene	3
Mr. T.C. Modipane	1

Central Audit Committee:-

<b>Name of Member</b>	<b>Number of meetings attended</b>
Ms. Z.P Mzizi (Chairperson)	0
Mr. C.M. Manny	4
Ms. L.J. Fosu	4
Mr. T.C. Modipane	4

#### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

#### The Effectiveness of Internal Control

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with the Department.

The following internal audit work was completed during the year under review:

- In Year Monitoring
- Division of Revenue: EPW
- Division of Revenue: Rates Devolution
- Interim Financial Reporting
- Immovable Asset Management
- Building Maintenance – Vhembe District
- Rental Management – Vhembe District
- Asset Management
- Supply Chain Management and Expenditure Management
- Labour Relations
- Departmental Accommodation Leases
- Inventory Management
- Payroll
- Fraud Prevention Plan and Anti-Corruption Measures
- Fleet Management
- BAS CAATs
- eNatis and Asset Management

- Addressing the AG IT Findings
- Annual Performance Plan

**The following were areas of concern:**

- The Department's risk management is adequate but not effective.
- The Department's implementation of PIA's findings is not satisfactory.

- **Risk Management**

The system of internal control applied by the Department over financial risk and risk management is ineffective, inefficient and transparent.

- **Annual Financial Statements**

We have reviewed the Department's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved.

- The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act. The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

**Evaluation of Financial Statements**

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's management report and management's response thereto;
- reviewed the Departments compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives to be included in the annual report;
- reviewed significant adjustments resulting from the audit; and quality and timelines of the financial information availed information to the Audit Committee for oversight purposes during the year such as interim financial statements.

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.

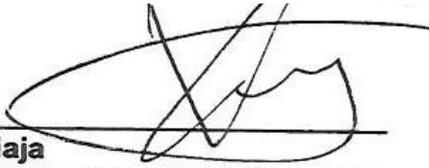
**Internal audit**

The Audit Committee is satisfied that the internal audit function is operating effectively given the current capacity constraints, and that

- Addressing the AG IT Findings
- Annual Performance Plan

**The following were areas of concern:**

- The Department's risk management is adequate but not effective.
- The Department's implementation of PIA's findings is not satisfactory.



**Mr KV Maja**  
**Chairperson of the Audit Committee**  
**Department of Public Works**  
**Date: 30 July 2013**

The image shows two workers in bright orange uniforms and hats laying a stone path in front of a brick building. The path is made of large, flat, light-colored stones, with smaller, reddish-brown stones used for the border. The workers are bent over, carefully placing the stones. A broom lies on the ground near the path. The background features a brick building with windows that have metal grilles. The scene is outdoors on a grassy area.

**Part D:  
Human Resource  
Management**

## Part D: Human Resource Management

### 30 Human Resources Oversight Statistics

#### 30.1 Introduction

The Department had embarked on an organizational structure review in 2010 which resulted in the approval of a new organizational structure which was implemented with effect from 01 June 2011. The structure had created over 7 000 posts resulting in a vacancy rate of over 59 % in the 12/13 financial year and therefore over half of the approved structure was vacant and unfunded. The Department of Public Service and Administration introduced a PERSAL clean-up strategy which required the de-establishment / abolishing of all unfunded posts and a directive was issued to all Departments to implement.

Over 4000 posts were de-established in November/ December 2012 and the total number of posts on the establishment was reduced to 2730 with effect from January 2013. The vacancy rate also decreased from 59 % to 5.7 %.

The Department developed an HR plan and the following were gaps identified and prioritized for implementation over the MTEF:

- Inadequate management of Human Resources Information and adequate PERSAL management;
- Ineffective and inefficient organizational structure;
- Inadequate implementation of Human Resources Development and skills deficit;
- Inadequate implementation of Recruitment and Retention strategies;
- Underrepresentation of employees from designated groups with representation of women below 50 % and persons with disabilities below 2 % across all salary levels;
- Inadequate utilization of Human Resources;
- High number of employees who were revealed by the Knowledge Attitude and Perception (KAP) survey to be in the high risk group.

The Employee Health & Wellness entity embarked on a project of conducting a survey on Knowledge, Attitude and Perception survey in 2011/12 and the recommendation of the survey were implemented in the 2012/2013 financial year. Implementation has yielded positive results and the number of employees participating in HCT has increased. Implementation of the recommendations will be carried over to the 13/14 financial year

The Human Resources Development processed performance rewards for members of Senior Management Service for the financial 2010/2011 and the amount is reflected in table 7.4. Performance Rewards for 2011/12 financial year are still pending.

## 1. Expenditure

### Personnel cost by program, 2012/13

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	211 383	163 435	1 272	603	73	307
Public Works	510 475	364 705	0	11 215	57	527
EPWP	26 165	11 071	0	41 162	65	180
<b>TOTAL</b>	<b>748 023</b>	<b>539 211</b>	<b>1 272</b>	<b>52 980</b>	<b>95</b>	<b>1014</b>

### Personnel cost per salary bands, 2012/13

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Unskilled (level 1-2)	42	0	0	0
Skilled (level 3-5)	226 119	41,1	1 511	134 435
Highly skilled production (levels 6-8)	158 538	28.8	773	262 480
Highly skilled supervision (levels 9-12)	125 542	22.8	265	481 004
Senior and Top management (levels 13-16)	23 490	4.3	25	904 538
Contract (level 1-2)	970	0.2	0	0
Contract (level 3-5)	1 298	0.2	10	118 000
Contract (level 6-8)	2 559	0.5	10	255 900
Contract (level 9-12)	653	0.2	1	653 000
<b>Total</b>	<b>539 211</b>	<b>97.9</b>	<b>2 595</b>	<b>207 799</b>

**Salaries, Overtime, Home Owners Allowance and Medical Assistance by program, 2012/13**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of programme	Amount (R'000)	% of personnel costs of programme	Amount (R'000)	HOA as a % of personnel costs of programme	Amount (R'000)	% of personnel costs of programme
<b>Administration</b>	<b>116 363</b>	<b>71.2</b>	<b>614</b>	<b>0.4</b>	<b>5 095</b>	<b>3.1</b>	<b>8 462</b>	<b>5.2</b>
<b>Public Works</b>	<b>258 079</b>	<b>70.8</b>	<b>153</b>	<b>0</b>	<b>21 279</b>	<b>5.8</b>	<b>21 810</b>	<b>6</b>
<b>EPWP</b>	<b>7 995</b>	<b>72.2</b>	<b>0</b>	<b>0</b>	<b>140</b>	<b>1.3</b>	<b>347</b>	<b>3.1</b>
<b>Total</b>	<b>382 437</b>	<b>70.9</b>	<b>767</b>	<b>0.1</b>	<b>26 514</b>	<b>4.9</b>	<b>30 619</b>	<b>5.7</b>

**Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2012/13**

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands	Amount (R'000)	% of personnel costs of salary bands
<b>Skilled (level 1-2)</b>	<b>16</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Skilled (level 3-5)</b>	<b>149 025</b>	<b>67</b>	<b>89</b>	<b>0</b>	<b>18 220</b>	<b>8.2</b>	<b>17 151</b>	<b>7.7</b>
<b>Highly skilled production (levels 6-8)</b>	<b>114 285</b>	<b>73.7</b>	<b>527</b>	<b>0.3</b>	<b>6 245</b>	<b>4</b>	<b>8 124</b>	<b>5.2</b>
<b>Highly skilled supervision (levels 9-12)</b>	<b>96 914</b>	<b>73.9</b>	<b>150</b>	<b>0.1</b>	<b>1 901</b>	<b>1.4</b>	<b>4 749</b>	<b>3.6</b>
<b>Senior management (level 13-16)</b>	<b>16 716</b>	<b>68.1</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>0.6</b>	<b>407</b>	<b>1.7</b>

Contract (level 1-2)	968	99.8	0	0	0	0	0	970
Contract (level 3-5)	1 297	99.9	0	0	0	0	0	1298
Contract (level 6-8)	2 558	99.9	0	0	0	0	0	2560
Contract (level 9-12)	658	95.8	0	0	0	0	0	687
<b>Total</b>	<b>382 437</b>	<b>70.9</b>	<b>766</b>	<b>0.1</b>	<b>26520</b>	<b>4.9</b>	<b>30431</b>	<b>5.6</b>

### Employment and vacancies

#### Employment and vacancies by program, 31 March 2013

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
<b>Administration</b>	<b>570</b>	<b>532</b>	<b>6.7</b>	<b>4</b>
<b>Public Works</b>	<b>2 138</b>	<b>2 022</b>	<b>5.4</b>	<b>9</b>
<b>EPWP</b>	<b>22</b>	<b>21</b>	<b>4.5</b>	<b>7</b>
<b>Total</b>	<b>2 730</b>	<b>2 575</b>	<b>5.7</b>	<b>20</b>

#### Employment and vacancies by salary bands, 31 March 2013

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
<b>Lower skilled ( level1-2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Skilled(level 3-5)</b>	<b>1 602</b>	<b>1 511</b>	<b>5.6</b>	<b>10</b>
<b>Highly skilled production (level 6-8)</b>	<b>807</b>	<b>773</b>	<b>4.2</b>	<b>10</b>
<b>Highly skilled supervision (level 9-12)</b>	<b>286</b>	<b>266</b>	<b>7</b>	<b>0</b>
<b>Senior management (level 13-16)</b>	<b>35</b>	<b>25</b>	<b>5.6</b>	<b>0</b>
<b>Total</b>	<b>2 730</b>	<b>2 575</b>	<b>5.7</b>	<b>20</b>

**Employment and vacancies by critical occupation, 31 March 2013**

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Property Valuer	1	0	0	0
Engineer	10	0	0	0
Construction Project Manager	46	35	23.9	0
Artisans	410	393	4.1	0
Works Inspector	65	61	6.1	0
Technologist	8	6	33.3	0
<b>Total</b>	<b>540</b>	<b>495</b>	<b>8.3</b>	<b>0</b>

**Job Evaluation**

**Job Evaluation, 1 April 2012 to 31 March 2013**

	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	1 602	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	807	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	286	0	0	0	0	0	0
Senior Management Service Band A	26	0	0	0	0	0	0
Senior Management Service Band B	7	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>Total</b>	<b>2 730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Profile of employee whose salary positions were upgraded due to their posts being upgraded, 1 April 2012 to 31 March 2013**

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Employees with a disability					0

**Employee whose salary level exceed the grade determined by job evaluation, 1 April 2012 to 31 March 2013 (in terms of PSR 1.V.C.3)**

Total Number of Employees whose remuneration exceeded the grade determined by job evaluation in 2012/13	-
Percentage of total employed	

**Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2012 to 31 March 2013 (in terms of PSR 1.V.C.3)**

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

**Employment changes**

**Annual turnover rates by salary band for the period 1 April 2012 to 31 March 2013**

Salary Band	Employment at beginning of period-April 2012	Appointments	Terminations	Turnover rate
Lower skilled ( Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	1 779	2	103	5.9
Highly skilled production (Levels 6-8)	664	0	42	6.3
Highly skilled supervision (Levels 9-12)	280	0	9	3.2
Senior Management Service Bands A	18	0	0	0
Senior Management Service Bands B	5	0	0	0
Senior Management Service Bands C	1	0	0	0

<b>Senior Management Service Bands D</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contracts (level 1-2)</b>	<b>554</b>	<b>5</b>	<b>554</b>	<b>100</b>
<b>Total</b>	<b>3 302</b>	<b>7</b>	<b>708</b>	<b>21.6</b>

**Annual turnover rates by critical occupation for the period 1 April 2012 to 31 March 2013**

<b>Critical Occupation:</b>	<b>Employment at beginning of period 01 April 2012</b>	<b>Appointments</b>	<b>Terminations</b>	<b>Turnover rate</b>
<b>Property Valuer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Engineer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Construction Project Manager</b>	<b>39</b>	<b>0</b>	<b>4</b>	<b>10.2</b>
<b>Artisans</b>	<b>464</b>	<b>0</b>	<b>26</b>	<b>5.6</b>
<b>Works Inspector</b>	<b>67</b>	<b>0</b>	<b>4</b>	<b>5.9</b>
<b>Technologist</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>572</b>	<b>0</b>	<b>34</b>	<b>5.9</b>

**Reasons why staff are leaving the Department**

<b>Termination Type</b>	<b>Number</b>	<b>% of Total Employment</b>
<b>Death</b>	<b>47</b>	<b>6.6</b>
<b>Resignation</b>	<b>25</b>	<b>3.5</b>
<b>Expiry of contract</b>	<b>544</b>	<b>78</b>
<b>Dismissal – operational changes</b>	<b>0</b>	<b>0</b>
<b>Dismissal – misconduct</b>	<b>1</b>	<b>0.1</b>
<b>Dismissal – inefficiency</b>	<b>0</b>	<b>0</b>
<b>Discharged due to ill-health</b>	<b>2</b>	<b>0.2</b>
<b>Retirement</b>	<b>89</b>	<b>12.6</b>
<b>Transfer to other Public Service Departments</b>	<b>0</b>	<b>0</b>
<b>Other</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>708</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		<b>27.2</b>

### Promotions by critical occupation

Occupation:	Employees 1 April 2012	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch promotions as a % of employees by occupation
Property Valuer	0	0	0	0	0
Engineer	0	0	0	0	0
Construction Project Manager	39	0	0	0	0
Artisans	464	0	0	293	63.1
Works Inspector	67	0	0	0	0
Technology	2	0	0	0	0
<b>Total</b>	<b>572</b>	<b>0</b>	<b>0</b>	<b>293</b>	<b>51.22</b>

### Promotions by salary band

Salary Band	Employees 1 April 2012	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch promotions as a % of employees by salary bands
Lower skilled ( Levels 1-2)	0	0	0	0	0
Skilled (Levels3-5)	1 779	0	0	1 642	92.2
Highly skilled production (Levels 6-8)	664	0	0	528	82.6
Highly skilled supervision (Levels 9-12)	280	0	0	195	71.1
Senior Management (Level 13-16)	25	0	0	15	60
Contract (level 1-2)	554	0	0	0	0
<b>Total</b>	<b>3 302</b>	<b>0</b>	<b>00</b>	<b>2 380</b>	<b>86.6</b>

### Employment equity

Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2013

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	1	0	9	0	0	0	19
Professionals	86	1	0	1	68	1	0	7	164
Technicians and associate professionals	113	2	0	0	120	7	1	5	248
Clerks	98	0	0	0	163	1	1	2	265
Service and sales workers	130	0	0	0	43	0	0	0	174
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	413	1	0	12	73	0	0	0	499
Plant and machine operators and assemblers	69	0	0	1	3	0	0	0	73
Elementary occupations	619	0	0	0	534	0	0	0	1 153
<b>Total</b>	<b>1 537</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>1 013</b>	<b>9</b>	<b>3</b>	<b>14</b>	<b>2 595</b>
Employees with disabilities	27	0	1	0	8	0	0	1	37

Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2013

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management(L15-L16)	1	0	0	0	1	0	0	0	2
Senior	12	0	1	0	11	0	0	0	24

<b>Management(L13-L14)</b>									
<b>Professionally qualified and experienced specialists and mid-management</b>	<b>167</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>80</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>262</b>
<b>Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents</b>	<b>364</b>	<b>1</b>	<b>0</b>	<b>6</b>	<b>223</b>	<b>8</b>	<b>3</b>	<b>9</b>	<b>614</b>
<b>Semi-skilled and discretionary decision making</b>	<b>993</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>698</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 693</b>
<b>Unskilled and defined decision making</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>
<b>Total</b>	<b>1 537</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>1 013</b>	<b>9</b>	<b>3</b>	<b>14</b>	<b>2 595</b>

**Recruitments for the period 01 April 2011 to 31 March 2012**

<b>Occupational Bands</b>	<b>Male</b>				<b>Female</b>				<b>Total</b>
	<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>	<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>	
<b>Top Management</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>
<b>Senior Management</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>Professionally qualified and experienced specialists and mid-management</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>
<b>Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents</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>
<b>Semi-skilled and</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

<b>discretionary decision making</b>									
<b>Unskilled and defined decision making</b>	0	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0	0	0	0
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	2	0	0	0	2

**Promotions for the period 01 April 2012 to 31 March 2013**

<b>Occupational Bands</b>	<b>Male</b>				<b>Female</b>				<b>Total</b>
	<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>	<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>	
<b>Top Management</b>	0	0	0	0	0	0	0	0	0
<b>Senior Management</b>	0	0	0	0	0	0	0	0	0
<b>Professionally qualified and experienced specialists and mid-management</b>	0	0	0	0	0	0	0	0	0
<b>Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents</b>	0	0	0	0	0	0	0	0	0
<b>Semi-skilled and discretionary decision making</b>	0	0	0	0	0	0	0	0	0
<b>Unskilled and defined decision making</b>	0	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0	0	0	0
<b>Employees with disabilities</b>	0	0	0	0	0	0	0	0	0

**Terminations for the period 01 April 2012 to 31 March 2013**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	6	0	0	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	35	0	0	1	7	0	0	1	44
Semi-skilled and discretionary decision making	57	0	0	0	41	0	0	0	98
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contracts	258	0	0	0	301	0	0	0	554
<b>Total</b>	<b>356</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>708</b>
Employees with Disabilities	01								

**Disciplinary actions for the period 01 April 2012 to 31 March 2013**

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	25	0	0	1	1	0	1	0	28

### Skills development for the period 01 April 2012 to 31 March 2013

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	0	0	0	0	1
Professionals	9	0	0	0	7	0	0	0	16
Technicians and associate professionals	5	1	0	0	8	0	0	1	15
Clerks	4	0	0	0	7	0	0	0	11
Service and sales workers	0	0	0	0	0	0	1		1
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	6	0	0	0	2	0	0	0	8
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	4	0	0	0	7
<b>Total</b>	<b>27</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>59</b>
Employees with disabilities	1	0	0	0	1	0	0	0	0

### Performance Rewards

#### Performance rewards by race, gender, and disability, 01 April 2012 to 31 March 2013

	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African, Male</b>	<b>102</b>	<b>1 537</b>	<b>6.6</b>	<b>959</b>	<b>9 927</b>
<b>Asian, Male</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Coloured Male</b>	<b>02</b>	<b>4</b>	<b>5.4</b>	<b>16</b>	<b>8 133</b>
<b>White Male</b>	<b>4</b>	<b>14</b>	<b>28.6</b>	<b>40</b>	<b>9 226</b>
<b>African Female</b>	<b>55</b>	<b>1 013</b>	<b>5.4</b>	<b>517</b>	<b>9 397</b>
<b>Asian Female</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Coloured Female</b>	<b>1</b>	<b>9</b>	<b>11.1</b>	<b>7</b>	<b>7 492</b>
<b>White Female</b>	<b>1</b>	<b>14</b>	<b>7.7</b>	<b>524</b>	<b>9 363</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>37</b>	<b>5.4</b>	<b>23</b>	<b>11 536</b>

<b>TOTAL</b>	<b>167</b>	<b>2 595</b>	<b>6.3</b>	<b>1 554</b>	<b>9 306</b>
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**Performance rewards salary band for personnel below Senior Management Service, 01 April 2012 to 31 March 2013**

Salary Bands	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
<b>Lower Skilled (Levels 1-2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Skilled (level 3-5)</b>	<b>1</b>	<b>1 511</b>	<b>0.1</b>	<b>2</b>	<b>2 000</b>
<b>Highly skilled production (level 6-8)</b>	<b>3</b>	<b>773</b>	<b>0.4</b>	<b>11</b>	<b>3 667</b>
<b>Highly skilled supervision (level 9-12)</b>	<b>163</b>	<b>265</b>	<b>61.3</b>	<b>1 527</b>	<b>9 368</b>
<b>Contract (level 1-2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contract (level 3-5)</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contract (level 6-8)</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>167</b>	<b>2 570</b>	<b>6.5</b>	<b>1 540</b>	<b>9 222</b>

**Performance rewards by critical occupations, 01 April 2012 to 31 March 2013**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
<b>Property Valuer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Engineer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Construction Project Manager</b>	<b>8</b>	<b>35</b>	<b>22.9</b>	<b>130</b>	<b>16 250</b>
<b>Artisans</b>	<b>293</b>	<b>393</b>	<b>55.6</b>	<b>159</b>	<b>6 360</b>
<b>Works Inspector</b>	<b>28</b>	<b>61</b>	<b>44.4</b>	<b>214</b>	<b>7 643</b>
<b>Technology</b>	<b>1</b>	<b>6</b>	<b>11.1</b>	<b>7</b>	<b>7 000</b>
<b>Total</b>	<b>331</b>	<b>495</b>	<b>39.0</b>	<b>510</b>	<b>37 253</b>

**Table 7.4-Performance related rewards (cash bonus) by salary band for Senior Management Service, 01 April 2012 to 31 March 2013**

Salary Band	Number of beneficiaries			Total Cost (R'000)	Average cost per employee	% of SMS wage bill
	Number of beneficiaries	Number of employees	% of total within band			
Band A	0	18	0	0	0	0
Band B	0	5	0	0	0	0
Band C	0	1	0	0	0	0
Band D	0	1	0	0	0	0
<b>Total</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No performance rewards were paid for 2012/2013 but payment processes were for 2010/2011 financial year.

#### Foreign Workers

##### Foreign Workers, 01 April 2012 to 31 March 2013 by salary band

Salary Band	April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	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>

##### Foreign Workers, 01 April 2012 to 31 March 2013 by major occupation

Major occupation	April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% Change
None	0	0	0	0	0	0

Leave utilization for the period 1 January - December 2012

Sick leave, 1 January to December 2012

GRADE (SALARY BAND)	Total days	Percentage with certification	Number of Employees using sick leave	% of total employees using sick leave	Average per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	7 585	98.7	1 001	56.4	7.5	2 470
Highly skilled production (levels 6-8)	3 997	91.7	467	26.3	8.5	2 762
Highly skilled supervision (levels 9 -12)	1 689	88.6	201	11.3	8.4	2 389
Top and Senior management (levels 13-16)	142	93.7	19	1.1	7.4	420
Contract (level 1-2)	236	95.8	76	4.3	3.1	15
Contract (level 3-5)	18	100	4	0.2	4.5	7
Contract (level 6-8)	52	67.3	8	0.5	6.5	26
<b>Total</b>	<b>13 719</b>	<b>95.2</b>	<b>1 776</b>	<b>8</b>	<b>7.7</b>	<b>8 089</b>

Disability leave (temporary and permanent), 1 January 2012 to December 2012

GRADE (SALARY BAND)	Total days taken	Percentage days with certification	Number of Employees using disability leave	% of total employees using disability leave	Average per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	2 567	100	113	62.7	22.7	866
Highly skilled production (Levels 6-8)	847	100	50	27.7	16.9	560
Highly skilled supervision (Levels 9-12)	283	100	15	8.3	18.8	345
Senior management (Levels 13-16)	124	100	2	1.1	62	411
<b>Total</b>	<b>3821</b>	<b>100</b>	<b>180</b>	<b>100</b>	<b>21.2</b>	<b>2182</b>

**Annual leave, 1 January 2012 to December 2012**

<b>GRADE (SALARY BAND)</b>	<b>Total days taken</b>	<b>Number of Employees using annual leave</b>	<b>Average per employee</b>
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	44 702	1 781	25
Highly skilled production (Levels 6-8)	16 441	642	25.6
Highly skilled supervision(Levels 9-12)	6 732	270	24.9
Senior management (Levels 13-16)	643	25	25.7
Contract (level 1-2)	2 862	396	7.2
Contract (level 3-5)	136	7	19.4
Contract (level 6-8)	311	17	18.2
<b>Total</b>	<b>71 827</b>	<b>3 138</b>	<b>22.8</b>

**Capped leave, 1 January 2012 to December 2012**

<b>GRADE (SALARY BAND)</b>	<b>Total days of capped leave taken</b>	<b>Number of Employees using capped leave</b>	<b>Average number of days taken per employee</b>
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	404	62	6.5
Highly skilled production (Levels 6-8)	292	40	7.3
Highly skilled supervision(Levels 9-12)	32	6	5.3
Senior management (Levels 13-16)	0	0	0
<b>Total</b>	<b>728</b>	<b>108</b>	<b>6.7</b>

Leave payout for the period, 1 April 2012 to 31 March 2013

REASON	Total Amount (R'000)	Number of Employees	Average per employee (R'000)
Leave pay-out for 2011/12 due to non-utilisation of leave for the previous cycle	10	2	5
Capped leave pay-outs on termination of service for 2012/13	1 416	138	10
Current leave pay-out on termination of service for 2012/13	6	2	3
<b>Total</b>	<b>1 432</b>	<b>142</b>	<b>10</b>

HIV and AIDS & health promotion program  
 Stapes take 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
Employees working at Cost Centres	Awareness campaigns on Sexually Transmitted Infections and HIV related diseases conducted
	Peer educators trained to share information in relation to HIV and related disease

Details of Health promotion and HIV and AIDS Program (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Ms LO Makhonza Senior Manager: Employee Health and Wellness
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		One (1) Manager and Eight (8) Deputy Managers R 750 000.00
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for	x		<ul style="list-style-type: none"> <li>Encouraging active participation by all employees;</li> <li>People have right and duty to participate individually</li> </ul>

<p>your employees? If so, indicate the key elements/services of this Programme.</p>		<p>and collectively in the planning and implementation care, wellbeing and support;</p> <ul style="list-style-type: none"> <li>• Promotion of health;</li> <li>• Prevention of illness and diseases;</li> <li>• Protection by recognition of determinants of health;</li> <li>• Prevention, mitigation and elimination of potential occupational hazards;</li> <li>• Ensuring compliance with the legislative prescripts listed below under legislative framework.</li> </ul>
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	<p>x</p>	<p>Name of the committee:  Makhonza L: SM EH&amp;W  Nkoana W: Nehawu  Masila A: PSA  Malungana MS: Manager: OHS  Molema MR: Manager: HIV&amp;AIDS  Hlebelo TF: Deputy manager: Secretariat  Nkuna E: District Coordinator  Makomeni MP: District Coordinator  Mashamba TC: District Coordinator  Manyelo D: District Coordinator  Baloyi SB: District Coordinator  Mothiba M: Deputy manager: EH&amp;W  Letsoalo RM: Deputy manager: EH&amp;W  Buthelezi NL: Deputy manager: EH&amp;W  Raseona MV: Deputy manager: EH&amp;W  Masutha C: Manager: Conditions of Service  Manamela MP : Manager: monitoring and evaluation  Manamela G: SM Logistics  Mahlo E: Rep: PLWD  Madale O: Deputy Manager: OHS  Zwane R: Manager: Special programs  Hlongwane S – Senior Manager Land Management  Makhafola T: Senior Manager – Auxiliary Records Management</p>
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	<p>x</p>	<p>The reviewed policies on HIV/AIDS, STI and TB policy contains clauses on stigma, discrimination and the protection of rights of people infected and affected with HIV</p>

6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	x	The policy on HIV, STI and TB together with operational plans addresses issues related to discrimination. Information sharing sessions were conducted with the following topics: Myths related to HIV/AIDS Mode of prevention.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	x	The HCT uptake has increased and this can be attributed to intense marketing of the service prior to testing.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x	The annual performance plan (APP) has indicators which are used to measure the impact. These indicators were informed by the GEMS and the KAP survey reports. Some indicators are informed by the Provincial Strategic Plan on HIV/AIDS, STI.

#### Labour Relations

Collective agreement, 1 April 2012 to 31 March 2013

Total collective agreements	
None	n/a

#### Misconduct and disciplinary hearings finalized, 1 April 2012 to 31 March 2013

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	3.6
Suspended without pay	3	10.7
Fine	0	0
Demotion	0	0
Dismissal	1	3.6
Not guilty	0	0
Case withdrawn	8	28.5
Pending Cases	15	53.5
Total	28	100

#### Types of misconduct addressed at disciplinary hearings

Type of misconduct (based on annexure A)	Number	% of total
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<b>Abscondment</b>	<b>3</b>	<b>10.7</b>
<b>Theft, fraud &amp; Corruption</b>	<b>3</b>	<b>10.7</b>
<b>Assault</b>	<b>2</b>	<b>7.1</b>
<b>Intimidation</b>	<b>1</b>	<b>3.6</b>
<b>Absenteeism</b>	<b>1</b>	<b>3.6</b>
<b>RWOPS</b>	<b>18</b>	<b>64.3</b>
<b>Total</b>	<b>28</b>	<b>100</b>

**Grievances lodged for the period 1 April 2012 to 31 March 2013**

	<b>Number</b>	<b>% of Total</b>
<b>Number of grievances resolved</b>	<b>120</b>	<b>74.5</b>
<b>Number of grievances not resolved</b>	<b>41</b>	<b>25.5</b>
<b>Total number of grievances lodged</b>	<b>161</b>	<b>100</b>

**Dispute lodged with council for the period 1 April 2012 to 31 March 2013**

	<b>Number</b>	<b>% of Total</b>
<b>Number of disputes upheld</b>	<b>0</b>	<b>0</b>
<b>Number of disputes dismissed</b>	<b>1</b>	<b>88.9</b>
<b>Number of dispute outstanding</b>	<b>8</b>	<b>11.1</b>
<b>Total number of disputes lodged</b>	<b>9</b>	<b>100</b>

**Strike action for the period 1 April 2012 to 31 March 2013**

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

**Precautionary suspensions for the period 1 April 2012 to 31 March 2013**

<b>Number of people suspended</b>	<b>1</b>
<b>Number of people whose suspension exceeding 30 days</b>	<b>1</b>
<b>Average number of days suspended</b>	<b>35</b>
<b>Cost (R'000) of suspension</b>	<b>7</b>

**Skills Development  
Training needs identified 1 April 2012 to 31 March 2013**

Occupational Categories	Gender	Number of employees as at 1 April 2012	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	0	0	1	1
	Male	10	0	0	0	0
Professionals	Female	77	0	114	4	118
	Male	93	0	218	9	227
Technicians and associate professionals	Female	136	0	69	7	76
	Male	124	0	293	6	299
Clerks	Female	169	0	33	6	39
	Male	102	0	26	3	29
Service and sales workers	Female	46	0	0	1	1
	Male	140	0	3	0	3
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	75	1	10	2	13
	Male	453	30	36	6	72
Plant and machine operators and assemblers	Female	3	0	0	0	0
	Male	72	0	3	0	3
Elementary occupations	Female	570	0	5	3	8
	Male	669	0	30	3	33
Sub Total	Female	1 085	1	231	24	256
	Male	1 663	30	609	27	666
<b>Total</b>		<b>2 748</b>	<b>31</b>	<b>840</b>	<b>51</b>	<b>922</b>

**Training provided 1 April 2012 to 31 March 2012**

Occupational Categories	Gender	Number of employees as at 1 April 2012	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
<b>Legislators, senior officials and managers</b>	Female	<b>9</b>	<b>0</b>	<b>22</b>	<b>1</b>	<b>23</b>
	Male	<b>10</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>17</b>
<b>Professionals</b>	Female	<b>77</b>	<b>0</b>	<b>105</b>	<b>7</b>	<b>112</b>
	Male	<b>93</b>	<b>0</b>	<b>195</b>	<b>9</b>	<b>204</b>
<b>Technicians and associate professionals</b>	Female	<b>136</b>	<b>0</b>	<b>104</b>	<b>9</b>	<b>113</b>
	Male	<b>124</b>	<b>0</b>	<b>115</b>	<b>6</b>	<b>121</b>
<b>Clerks</b>	Female	<b>169</b>	<b>0</b>	<b>61</b>	<b>7</b>	<b>68</b>
	Male	<b>102</b>	<b>0</b>	<b>44</b>	<b>4</b>	<b>48</b>
<b>Service and sales workers</b>	Female	<b>46</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>7</b>
	Male	<b>140</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>Skilled agriculture and fishery workers</b>	Female	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Male	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Craft and related trades workers</b>	Female	<b>75</b>	<b>1</b>	<b>10</b>	<b>2</b>	<b>13</b>
	Male	<b>453</b>	<b>30</b>	<b>48</b>	<b>6</b>	<b>84</b>
<b>Plant and machine operators and assemblers</b>	Female	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Male	<b>72</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>
<b>Elementary occupations</b>	Female	<b>570</b>	<b>0</b>	<b>19</b>	<b>4</b>	<b>23</b>
	Male	<b>669</b>	<b>0</b>	<b>26</b>	<b>3</b>	<b>29</b>
<b>Sub Total</b>	Female	<b>1 085</b>		<b>327</b>	<b>31</b>	<b>359</b>
	Male	<b>1 663</b>	<b>31</b>	<b>454</b>	<b>28</b>	<b>512</b>
<b>Total</b>		<b>2 748</b>	<b>31</b>	<b>781</b>	<b>59</b>	<b>871</b>

**Injury on duty**

**Injury on duty, 1 April 2012 to 31 March 2013**

<b>Nature of injury on duty</b>	<b>Number</b>	<b>% of total</b>
<b>Required basic medical attention only</b>	<b>34</b>	<b>1</b>
<b>Temporary Total Disablement</b>	<b>0</b>	<b>0</b>
<b>Permanent Disablement</b>	<b>0</b>	<b>0</b>
<b>Fatal</b>	<b>1</b>	<b>0</b>
<b>Total</b>	<b>35</b>	<b>1</b>

**Utilization of consultants**

**Report on consultant appointment using appropriation funds**

<b>Project Title</b>	<b>Total Number of consultants that worked on project</b>	<b>Duration Work days</b>	<b>Contract value in Rand</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Analysis of consultant appointment using appropriation funds, in terms of Historically Disadvantaged Individuals (HDIs)**

<b>Project Title</b>	<b>Percentage ownership by HDI groups</b>	<b>Percentage management by HDI groups</b>	<b>Number of Consultants from HDI groups that work on the project</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Report on consultant appointment using Donor funds**

<b>Project Title</b>	<b>Total Number of consultants that worked on project</b>	<b>Duration Work days</b>	<b>Donor and Contract value in Rand</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand</b>

**Analysis of consultant appointment using Donor funds, in terms of Historically Dis advantaged Individuals (HDIs)**

<b>Project Title</b>	<b>Percentage ownership by HDI groups</b>	<b>Percentage management by HDI groups</b>	<b>Number of Consultants from HDI groups that work on the project</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Part E:  
Financial Information**

## Part E: Financial Information

### 31. Financial Information

#### 31.1 Accounting Officer's Statement of Responsibility

##### Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Office is responsible for the preparation of the Department's annual financial statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the Department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the Department.

The Department of Public Works AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 118.

The Annual Financial Statements of the Department set out on page 118 to page 254 have been approved.

  
Accounting Officer Section 100 (1) (b)  
LDPW

31 May 2013

**31.2 Report of the Accounting Officer  
Summarised State of Financial Performance  
2011/12 & 2012/13 FINANCIAL YEAR**

A	2011/12				2012/13			
DEPARTMENTAL SUMMARY	ADJUSTED BUDGET	ACTUAL YR TO DATE	AS A % OF BUDGET	AVAILABLE BUDGET	ADJUSTED BUDGET	ACTUAL YR TO DATE	AS A % OF BUDGET	AVAILABLE BUDGET
ITEM	R'000				R'000			
COMPENSATION	575,314	567,154	99%	8,160	559,342	539,211	96%	20,131
GOODS & SERVICES	159,660	167,142	105%	(7,482)	211,967	155,218	73%	56,749
PAYMENTS FOR FINANCIAL ASSETS	-	64	0%	(64)	-	242	0%	(242)
PROV & LOCAL GOVT	48,179	39,734	82%	8,445	50,750	39,571	78%	11,179
HOUSEHOLDS	5,450	6,788	125%	(1,338)	6,100	10,803	177%	(4,703)
BUILDINGS & OTHER FIX STR	44,597	6,206	14%	38,391	10,735	1,834	17%	8,901
MACHINERY & EQUIPMENTS	4,633	2,337	50%	2,296	5,108	1,144	22%	3,964
<b>Total</b>	<b>837,833</b>	<b>789,425</b>	<b>94%</b>	<b>48,408</b>	<b>844,002</b>	<b>748,023</b>	<b>89%</b>	<b>95,979</b>

**Summarised State of Financial Performance for the Past Financial Years**

The Department has underspent its budget by 11% (2012: 6%). The total amount unspent is R95.952m. This is attributable to implementation of circular 1/2012 which accounted for R14.9m (2012: -7,482) savings under Goods and services. Cost of Employment accounted for R20.143m (2012: R8.160m). This is primarily as a result of vacancies not being field. Buildings and other fixtures as well as machinery accounted for R50.6m (2012: R40.6m). Our infrastructure budget of R50.3m is committed up to R28 million. Accruals amounting to R20 million relate to the capital expenditure invoices not paid at year end.

**General Financial Review of the Department**

In the current financial year, the Department was allocated a budget of R859 million (2012:R837m) for the financial year. During the second budget adjustment in October 2012, the budget was adjusted by R15, 286m to R844 million (2012:R816). A further budget adjustment to R825, 995 million was not approved by the Legislature. Mainly these budget expenditures were necessitated by an anticipation of under expenditure on COE. The second component of the savings is attributable austerity measures. The remainder relates to capital expenditure committed but not yet spent during the financial year.

**Spending trends of each Departmental programme**

Programme 1 (Administration) under spent its allocation by R19 million (2012:R12m). Of this under expenditure, 88% (2012:97%) of it is

attributable to COE. These are the vacant funded positions that have not been filled during the current financial year. Programme 2 (Public Works) underspent its allocation by R69 million (2012:R74m). Of this amount, R25m has been committed as tenders for the construction of the 3 traditional houses has been awarded and will be completed in the new financial year and balance has been committed. The remainder is made up building materials for the renovation of offices and rental houses. Accruals to the tune of R5 million relate to the purchase of building materials. Programme 3 (EPWP), underspent its allocation by R8 million. The major reasons for under spending were the non-filling of vacant posts and delays in procurement of construction materials due to incapacity within the SCM unit.

### **Capacity constraints and challenges facing the Department**

**Organisational Structure:** The process to finalise an organisational structure that is biased towards the infrastructure needs of the Department has commenced. The structure in essence is linked to the Infrastructure Structure Delivery Management System approved by the Provincial EXCO as an infrastructure delivery management tool. It is focused on the need to build sustainable technical infrastructure. The current structure had vacant unfunded positions amounting to 4,910 abolished from an initial structure of 7,251 positions. This is part of the PERSAL clean-up exercise conducted.

**Immovable Asset Register:** The Department has adopted an asset management programme aligned to the National Department of Public Works which has targeted the attainment of a complete asset register by 31 March 2014. The first phase is targeted at reconciliation of movement of immovable assets from prior years. The second phase includes the process of vesting, surveying of land and valuation applying National Treasury guidelines.

**Lease Review Project:** The Department will be reviewing its lease portfolio of 94 leases. The outcome of this exercise will result in extension of leases in accordance with assessed needs of the user Department, the reduction in the number of private leased properties in favour of government owned buildings, the reduction of lease payments and effective and economical occupation of rented buildings.

**Building Capacity in the CFO's Office for SCM and Financial Management:** More than 40 positions in SCM and financial management at both districts and Head Office will be filled during the new financial year. The positions have been identified and an advertisement will be going out before the end of the first quarter. Three senior management positions in SCM, budgeting and Financial Accounting will be filled by 30 June 2013.

### **Revenue**

The Departmental budget on revenue amounted to R24 million for the 2012/13 financial. The Department exceeded the budgeted amount by R11 million, this was mainly due to auction of redundant assets. The auction yielded an additional R6m.

The implementation of the rental tariff of R800 contributed to the additional revenue. The Department does not have a debtors and revenue management system. Discussions with the Treasury on the procurement of to the sale of goods (Auction) and the increase in the rental tariff to R800 per room per month. The poor debt management system of the Department has resulted in debt increase from an initial R17m at beginning of the year, to more than R30m at year end. This is partly due to the identification of additional debtors who were not initially on the debtors system. The APP of the Department in the new financial year will be targeting the outsourcing of the rental and debt collection function. Management of rental

stock is not the core mandate of the Department.

### **Utilisation of Donor funding**

The Department does not receive Donor Funding

### **Information of Trading Entities and Public Entities**

The Department does not have any Trading Entities or Public Entities

Organisations to whom Transfer payments have been made and the nature of these payments

Transfers are made to District Municipalities as payment for rates and taxes levies and not for any service. A total of R45 million (2012:R41 m) was transferred to municipalities. This is equivalent to 82% (2012: 77%). The remainder is made up in accruals of R22 million at year end.

### **Discontinued activities / activities to be discontinued**

The Department has indicated in its APP that it seeks to deal with property rental stock as this is not its mandate. A feasibility study on how best this should be executed will be developed. Proposals will be submitted to the Treasury at an appropriate time.

### **Supply Chain Management**

The SCM policy will be reviewed in the current year. The Department has appointed an SCM specialist to provide advice on the strategic direction of the SCM unit.

The Department has advertised 9 term contract to relieve the strain on the SCM and to reduce the incidence of fraud and corruption. Targeted SCM training has been identified for all the SCM practitioners. All vacant funded SCM positions will be filled during the current year.

### **New or proposed activities**

The Department continues to review its infrastructure delivery mechanisms in order to optimise capital expenditure and improve delivery of education and health facilities. In the coming year the Department seeks to enter into effective delivery partnerships with established implementation agents. This includes the Independent Development Trust (IDT), an entity of the Department of Public Works

Prior modifications to Audit reports

In the past 5 years, the Department has been received qualifications in the areas of Immovable Assets, movable assets, debtors, inaccurate Annual Financial Statement

<b>Area of findings</b>	<b>How it has been resolved in the current year</b>
Immovable Asset Register	Consolidated previous 6 registers into a single register. Traced all movements in assets since qualification and reconciled opening balances Provided tracking of all changes made to the IAR for audit purposes Reconciled R2bn which was subject of disclaimer
Movable assets	Consolidated registers into one register Traced all movements and provided audit trail from previous years to current year Resolved duplicate asset numbers and identified assets without bar codes and asset numbers.
Debtors	Performed desk top and physical tests to identify tenant Reloaded tenant information onto the system Provided an audit train of movements from previous years.

### **Interim Financial Statements**

The Department received assistance from Provincial Treasury and the National Intervention Team in compiling the Interim Financial Statements. The Interim Financial Statements are reflective of Financial Performance of the Department and accountability measure for the Financial Year.

### **Outlook/ Plans for the future to address financial challenges**

The Department has identified the following interventions to improve its financial management, SCM and governance in the Department:

- The office of the CFO will be capacitated by the end of the first quarter with the appointment of more than 40 official at middle management levels at both districts and head office.
- Three senior managers in CFO's office are due for appointment before the end of the first quarter.
- Targeted training for both SCM and financial management staff has been identified and will be massified in the new financial year.

### **Events after the reporting date**

There were no significant events after year end.

### **Other**

The Department is still under Section 100 (1) (b) Administration of the Constitution of RSA, thus its Executive Authority is still the Minister of Public Works while its Accounting Officer is the Administrator appointed in terms of the application of Section 100 (1) (b).

## Approval

The Annual Financial Statements set out on pages 116 to 223 are approved by the Accounting Officer Section 100 (1) (b) of the Constitution of the Republic of South Africa.

  
Accounting Officer Section 100 (1) (b)  
LDPW

31 May 2013

## 32. Report of the Auditor General

### REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE ON VOTE NO. 9: DEPARTMENT OF PUBLIC WORKS REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I was engaged to audit the financial statements of the Department of Public Works set out on pages 116 to 223, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statements of financial performance, changes in net assets and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no 1 of 1999) (PFMA), Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### Basis for disclaimer of opinion Immovable tangible capital assets

4. I identified a number of immovable tangible capital assets that have been recorded at R1 in the accounting records of the Department. In terms of the *Departmental financial reporting framework*, immovable tangible capital assets should only be valued at R1 if the cost of the asset cannot be determined. However, the Department could not provide sufficient appropriate evidence that a process was followed to determine the cost values of these assets. Had there been adequate control measures in place, the cost of these immovable assets could have been determined and valued as per the requirements of the *Departmental financial reporting framework*. Consequently, I could not determine whether the figures disclosed at R2 340 810 000 (2012: R3 050 614 000) as per disclosure note 45 to the annual financial statements, was correctly valued.

5. The Department has used municipal values to determine fair values of certain immovable tangible capital assets. However, I identified differences amounting to R101 589 181(2012: R2 836 591 000) between the accounting records and the relevant municipal valuation rolls. The Department could not provide sufficient explanations for these differences. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether the adjustment to the immovable assets figure stated at R2 340 810 000 (2012: R3 050 614 000) in the financial statements was necessary.

### **Movable tangible capital assets**

6. I was unable to obtain sufficient appropriate audit evidence regarding movable tangible capital assets as the entity did not maintain an adequate system for assets. I was unable to confirm the physical assets by alternative means. Consequently I was unable to determine whether any adjustment relating to movable tangible capital assets as stated at R80 341 000 (2012: R101 808 000) in the financial statements was necessary.
7. I was unable to obtain sufficient appropriate audit evidence that management has properly recorded movable tangible assets for the current and prior year, as the records of the Department included a number of assets whose acquisition costs were not recorded. I was unable to confirm the movable tangible assets by alternative means. Consequently, I was unable to determine whether any adjustment to movable tangible assets stated at R80 341 000 (2012: R101 808 000) in the financial statements was necessary.
8. I was unable to obtain sufficient appropriate audit evidence for the adjustment of R22 461 000 made to movable tangible assets. I was unable to confirm the adjustment by alternative means. Consequently I was unable to determine whether any adjustment to the movable tangible capital assets corresponding figure stated at R101 808 000 in the financial statements was necessary.
9. The accounting records of the Department did not in all instances include asset numbers and the location thereof to enable me to perform a physical verification of these assets. I was unable to confirm the movable tangible capital assets by alternative means. Consequently I was unable to determine whether any adjustment relating to movable tangible assets stated at R80 341 000 (2012: R101 808 000) in the financial statements was necessary.
10. I was unable to obtain sufficient appropriate audit evidence that the Department has properly recorded all movable tangible assets for the current and prior year, due to the status of the accounting records. I was unable to confirm the movable tangible assets by alternative means. Consequently, I was unable to determine whether any adjustment to movable tangible assets stated at R80 341 000 (2012: R101 808 000) in the financial statements was necessary.
11. The movable tangible capital assets balance includes a significant number of assets that were acquired after 1 April 2002 which were recorded at R1. This is in contravention with the *Departmental financial reporting framework* which allows R1 values to be assigned only to those assets acquired prior to 1 April 2002 and where documentation to establish the cost is not available. I was unable to confirm the correct values by alternative means. Consequently I was unable to determine whether any adjustment to the movable tangible assets figure stated at R80 341 000 in the financial statements was necessary.

### **Receivables for Departmental revenue**

12. I was unable to obtain sufficient appropriate audit evidence that the Department has properly charged and accounted for all receivables for Departmental revenue for the current and prior year. This was due to the status of the accounting records. I was unable to confirm the receivables for Departmental revenue by alternative means. Consequently, I was unable to determine whether any adjustment to receivables for Departmental revenue stated at R31 649 000 (2012: R15 228 000) in the financial statements was necessary.
13. Residential properties owned by the Department are occupied by the employees of the Departments of health and social development. The revenues received from the rental of these properties amounting to R21 880 000 (2012: R22 211 000) was received and recorded by the Department of health and social development and not by the Department. As a result, the receivables for Departmental revenue as disclosed in note 34 to the annual financial statements is understated by R21 880 000 (2012: R22 211 000).

### **Impairment**

14. The Department has not established adequate systems to ensure the appropriate and accurate ageing and valuation of receivables for Departmental revenue as required by the *Departmental financial reporting framework*. The Department does not have a policy for the assessment of debtors that are potentially irrecoverable. As a result I could not confirm the impairment provision by alternative means. Consequently, I was unable to determine whether any adjustment to the figure stated at R229 000 (2012: R587 000) as per disclosure note 40 to the annual financial statements was necessary.

### **Accruals**

15. As per note 31 to the financial statements, an amount of R21 195 000 (2012: R2 595 000) is payable by the Department to municipalities for arrear rates and taxes. I was unable to obtain sufficient appropriate audit evidence regarding the amount due to the lack of adequate reconciliations. I was unable to confirm the arrear rates and taxes by alternative means. Consequently I was unable to determine whether any adjustment relating to arrear rates and taxes stated at R 21 195 000 (2012: R2 595 000) in the financial statements was necessary.

### **Disclaimer of opinion**

16. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

### **Emphasis of matters**

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

#### **Significant uncertainties**

18. With reference to note 29 to the annual financial statements, the Department is currently involved in litigation with service providers and third parties. The ultimate outcome of the matters could not presently be determined, and no provision for any liability that may result has been made in the financial statements.
19. With regard to a litigation with one specific service provider, payments for services rendered were made by the Department amounting to R58 447 985. The value of such services received by the Department will only be determined with reasonable certainty after the court ruling. Depending on the outcome of the ruling, the payments could result in potential fruitless and wasteful expenditure.

#### **Material under spending of the budget**

20. As disclosed in the appropriation statement, the Department has materially underspent the budget to the amount of R95 951 000. As a consequence the Department has not achieved its objectives of :
- Building an efficient and responsive infrastructure to improve access to services
  - Improving management of government property for enhanced service delivery
  - Well maintained government properties.

### **Additional matters**

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

#### **Unaudited supplementary schedules**

21. The supplementary information set out on pages 224 to 246 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

#### **Withdrawal from the audit engagement**

22. Due to the limitation imposed on the scope of the audit by management, I have disclaimed my opinion on the financial statements. But for the legislated requirement to perform the audit of Departments, I would have withdrawn from the engagement in terms of the ISAs

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

### **Predetermined objectives**

24. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 16 to 39 of the annual report.

25. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information (FMPPi)*.

26. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

27. The material findings are as follows:

### **Usefulness of information**

#### **Presentation**

28. A total of 26% of targets not achieved, had no explanations of the reasons for variances between planned and actual achievements reported in the annual performance report as required per the National Treasury annual report preparation guide. This was due to the Department not making use of the National Treasury template to report on customised indicators.

#### **Measurability**

29. The National Treasury *FMPPi* requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 51% of the targets were not specific in clearly identifying the nature and the required level of performance.

This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles.

30. The National Treasury *FMPPi* requires that performance targets be measurable. The required performance could not be measured for a total of 28% of the targets. This was due to the fact that management did not follow the process of formulating targets for the customised indicators.

31. The National Treasury *FMPPi* requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 72% of the indicators were not well defined in that clear, unambiguous

data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles.

32. The National Treasury *FMPPi* requires that it must be possible to validate the processes and systems that produce the indicator. A total of 39% of the indicators were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the lack of key controls in the relevant systems of collection of actual performance information and the lack of information regarding the basis to be used to formulate the targets for the customised indicators.

### **Reliability of information**

33. The National Treasury *FMPPi* requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets.

Significantly important targets with respect to the Public works and the expanded public works programme are materially misstated.

This was due to the lack of frequent review of validity of reported achievements against source documentation.

### **Compliance with laws and regulations**

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

### **Annual financial statements, performance and annual reports**

34. The financial statements submitted for auditing were not supported by full and proper records as required by section 40 (1) (a) of the PFMA. The supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer audit opinion.

### **Asset and liability management**

35. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1) (d) of the PFMA and Treasury Regulation (TR) 10.1.1(a).

### **Audit committees**

36. An audit committee was not in place from 1 January 2013 to 31 March 2013. This is in contravention to the requirements of sections 38(1)(a)(ii) and 77 of the PFMA and TR 3.1.1
37. The audit committee did not have approved written terms of reference in place from 1 April 2012 to 29 October 2012. The terms of reference was approved by the Executive Authority on 29 October 2012. This is in contravention to the requirements of TR 3.1.8.

### **Expenditure management**

38. The accounting officer did not take effective steps to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1) (c) (ii) of the PFMA and TR 9.1.1.
39. Contractual obligations and money owed by the Department were not settled within 30 days or an agreed period, as required by section 38(1) (f) of the PFMA and TR 8.2.3.

### **Procurement and contract management**

40. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by TR 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of TR 16A6.4.
41. Invitations for competitive bidding were not always advertised for a required minimum period of 21 days, as required by TR 16A6.3(c).
42. Employee of the Department performed remunerative work outside their employment in the Department without written permission from the relevant authority as required by section 30 of the Public Service Act, 1994 (Act No. 103 of 1994) (PSA).

### **Revenue management**

43. The accounting officer did not take effective and appropriate steps to collect all money due, as required by section 38(1) (c) (i) of the PFMA and TR 11.2.1, 15.10.1.2(a) and 15.10.1.2(e).
44. The accounting officer did not ensure that appropriate processes were developed and implemented to provide for the recording and reconciliation as required by TR 7.2.1.
45. Immovable state property was not let at market-related tariffs, in contravention of TR 16A7.4.

### **Service delivery**

The audit included an assessment of specific service delivery aspects relevant to the Department. For the financial year under review focus was placed on the following:

*Division of Revenue Act – Devolution of property rate funds grant (Management of arrears rates and taxes)*

46. Sufficient appropriate audit evidence could not be obtained that the Department paid outstanding property rates' arrears for properties devolved to the province, as required by the *Division of Revenue Grant Framework, Gazette No.35399 dated 31 May 2012*.
47. The Department did not implement processes to ensure the completeness of the payment for property rates and taxes.  
*Management of accommodation of client Departments*
48. The Department's immovable asset management plan did not address the needs of all client Departments.
49. Sufficient appropriate audit evidence could not be obtained that the Department implemented processes and procedures to identify unused owned and leased buildings to prevent ineffective and underutilisation of office accommodation.
50. The Department's inspection plan was inadequate in that:
- List of premises was incomplete;
  - No indication of when and how often premises will be inspected
  - No indication on what procedures will be performed during an inspection;
  - No indication on how or where information is recorded of the inspections conducted;
  - No indication of how corrective actions should be taken and recorded and escalated to senior management.
51. The Department did not perform utilisation inspections to verify occupation of the accommodation and assess the condition of the buildings.  
*Project management of infrastructure projects (Including construction, planned and unplanned maintenance)*
52. The appointed project managers were not registered with the South African Council for the Project and Construction Management Professions, as required by sections 18(2) and 19 of the Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000).  
*Sector infrastructure (Including supply chain management processes)*
53. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by TR 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of TR 16A6.4.
54. Invitations for competitive bidding were not always advertised for a required minimum period of 21 days, as required by TR 16A6.3(c).  
*Monitoring of performance against service delivery targets (EPWP)*
55. Performance results for the following targets could not be verified for reliability due to insufficient audit evidence or no substantiating audit evidence
- Number of work opportunities created using the EPWP Grant

### **Internal control**

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

## **Leadership**

- 57. Leadership did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls
- 58. The action plan to address internal control deficiencies is not been adequately implemented and monitored, prior year matters are not addressed.
- 59. The positions of Senior Manager(SM): Supply Chain Management and SM: Finance was vacant for more than 12 months.
- 60. Accounting officer did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place.

## **Financial and performance management**

- 61. Controls over daily and monthly processing and reconciling of transactions were not implemented for accruals and receivables for Departmental revenue.
- 62. Regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information were not prepared.
- 63. There was inadequate review and monitoring of compliance with applicable laws and regulations.

## **Governance**

- 64. Risk management activities were not adequately conducted as it did not identify all the risk affecting the Department.
- 65. The audit committee's term came to an end prior to year end and consequently the audit committee did not exercise oversight on the implementation of matters reported by the internal audit function for the third and fourth quarter.

**OTHER REPORTS  
PERFORMANCE AUDITS**

66. A performance audit was conducted on the Readiness of Government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The management report was issued during this year.

*Auditor-General*

Polokwane  
31 July 2013



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

31. Annual Financial Statements

Appropriation per programme									
2012/13								2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation %	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
<b>1. Administration</b>									
Current payment	222 803	-	-	222 803	206 663	16 170	92.8%	244 338	232 220
Transfers and subsidies	2 397	-	-	2 397	1 909	488	79.6%	2 950	5 239
Payment for capital assets	3 340	-	-	3 340	1 144	2 196	34.3%	4 800	2 197
Payment for financial assets	-	-	-	-	45	(45)		27	27
	<b>228 540</b>	-	-	<b>228 540</b>	<b>209 731</b>	<b>18 809</b>		<b>252 115</b>	<b>239 683</b>
<b>2. Public Works</b>									
Current payment	513 002	-	-	513 002	463 895	49 107	90.4%	452 152	435 905
Transfers and subsidies	54 453	-	-	54 453	44 549	9 904	81.8%	53 155	41 280
Payment for capital assets	12 503	-	-	12 503	1 834	10 669	14.7%	52 647	6 348
Payment for financial assets	-	-	-	-	197	(197)	-	37	37
	<b>579 958</b>	-	-	<b>579 958</b>	<b>510 475</b>	<b>69 483</b>		<b>557 991</b>	<b>483 570</b>

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Appropriation per programme</b>									
<b>2012/13</b>								<b>2011/12</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expendit ure as % of final appropria tion %</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>		<b>R'000</b>	<b>R'000</b>
<b>3. Expanded Public Works Programme (EPWP)</b>									
	33 852	-	-	33 852	26 165	7 687	77.3%	26 235	25 761
Current payment	-	-	-	-	-	-			-
Transfers and subsidies	-	-	-	-	-	-			-
Payment for capital assets	-	-	-	-	-	-			-
Payment for financial assets									
	<b>33 852</b>	-	-	<b>33 852</b>	<b>26 165</b>	<b>7 687</b>		<b>26 235</b>	<b>25 761</b>
<b>Subtotal</b>	<b>842 350</b>	-	-	<b>842 350</b>	<b>746 371</b>	<b>95 979</b>	<b>88.6%</b>	<b>836 341</b>	<b>749 014</b>
<b>Statutory Appropriations</b>									
Current payment	1 652	-	-	1 652	1 652	-	100%	1 492	1 318
Transfers and subsidies									
Payment for capital assets									

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

Payment for financial assets									
<b>TOTAL</b>	<b>844 002</b>	<b>-</b>	<b>-</b>	<b>844 002</b>	<b>748 023</b>	<b>95 979</b>	<b>88.6%</b>	<b>837 833</b>	<b>750 332</b>

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>Reconciliation with statement of financial performance</b>				
Departmental receipts	11 118		2 830	
Direct Exchequer receipts	-		-	
NRF Receipts	-		-	
Aid assistance	-		-	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>	<b>855 120</b>		<b>840 663</b>	
<b>Add:</b>				
Aid assistance		-		-
Direct Exchequer payments		-		-
Prior year unauthorised expenditure approved without funding		-		39 095
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>		<b>748 023</b>		<b>789 427</b>

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

Appropriation per Economic classification								2011/12	
2012/13	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	559 342	-	-	559 342	539 211	20 131	96.4%	575 314	528 059
Goods and services	211 967	-	-	211 967	155 218	56 749	73.2%	175 032	167 145
Interest and rent on land	-	-	-	-	-	-		-	-
<b>Transfer and subsidies</b>	50 750	-	-	50 750	39 571	11 179	78.0%	48 279	39 734
Provinces and municipalities	-	-	-	-	-	-		-	-
Department agencies & accounts	-	-	-	-	-	-		-	-
Universities and Technikons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	6 100	-	-	6 100	10 803	(4 703)	177.1%	5 300	6 787
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions									
Households									
Gifts and donations									

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

Appropriation per Economic classification									
2012/13								2011/12	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Payment for capital assets</b>									
Buildings & other fixed structures	10 735	-	-	10 735	1 834	8 901	17.1%	28 744	6 206
Machinery & equipment	5 108	-	-	5 108	1 144	3 964	22.4%	5 100	2 337
Heritage assets	-	-	-	-	-	-		-	-
Specialised military assets	-	-	-	-	-	-		-	-
Biological assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Software and other intangible assets	-	-	-	-	242	(242)		64	64
<b>Payment for financial assets</b>									
<b>Total</b>	<b>844 002</b>	<b>-</b>	<b>-</b>	<b>844 002</b>	<b>748 023</b>	<b>95 979</b>	<b>88.6%</b>	<b>837 833</b>	<b>750 332</b>

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Statutory Appropriation</b>									
<b>2012/13</b>								<b>2011/12</b>	
<b>Direct changes against the National/Provincial Revenue Fund</b>	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
List all direct charges against the Revenue Fund President and Deputy President salaries Member of executive committee / parliamentary officers Judges and magistrates salaries Sector education and training authorities (SETA) National Skills Fund	1 652	-	-	1 652	1 652	-	100.0%	1 492	1 318
<b>Total</b>	<b>1 652</b>	<b>-</b>	<b>-</b>	<b>1 652</b>	<b>1 652</b>		<b>100.0%</b>	<b>1 492</b>	<b>1 318</b>

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

Detail per programme 1 – ADMINISTRATION  
For the year ended 31 March 2013

Appropriation per programme									
2012/13								2011/12	
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1. OFFICE OF THE MEC</b>	2 762	-	-	2 762	3 890	(1 128)	140.8%	3 897	3 327
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
<b>1.2. HEAD OF DEPARTMENT</b>	3 372	-	-	3 372	2 681	691	79.5%	3 351	2 943
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial	-	-	-	-	-	-	-	-	-

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

assets									
<b>1.3. CORPORATE SUPPORT</b>	216 669	-	-	216 669	200 062	16 607	92.3%	237 090	225 953
Current payment	2 397	-	-	2 397	1 909	488	79.6%	2 950	5 239
Transfers and subsidies	3 340	-	-	3 340	1 144	2 196	34.3%	4 800	2 194
Payment for capital assets	-	-	-	-	45	(45)		27	27
Payment for financial assets									
<b>TOTAL</b>	<b>228 540</b>	<b>-</b>	<b>-</b>	<b>228 540</b>	<b>209 731</b>	<b>18 809</b>	<b>91.8%</b>	<b>252 115</b>	<b>239 683</b>

2012/13								2011/12	
Programme 1 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Current payments</b>									
Compensation of employees	168 081	-	-	168 081	161 783	6 298	96.3%	165 619	155 809
	54 722	-	-	54 722	40 682	14 040	74.3%	78 719	76 413
Goods and services	-	-	-	-	-	-		-	-
Interest and rent on land									
<b>Transfer and subsidies</b>	297	-	-	297	228	69	76.8%	-	-
Provinces and municipalities	-	-	-	-	-	-		-	-
Department agencies & accounts	-	-	-	-	-	-		-	-
Universities and technikons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
	2 100	-	-	2 100	5 848	(3 748)	278.5%	2 950	5 239
Public corporations and private enterprises	-	-	-	-	-	-		-	-
Non-profit institutions									
Households									
Gifts and donations									

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Payment for capital assets</b>									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
	3 340	-	-	3 340	1 144	2 196	34.3%	4 800	2 195
Machinery & equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	46	(46)		27	27
<b>Payment for financial assets</b>									
<b>Total</b>	<b>228 540</b>	<b>-</b>	<b>-</b>	<b>228 540</b>	<b>209 731</b>	<b>18 809</b>	<b>91.8%</b>	<b>252 115</b>	<b>239 683</b>

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

Detail per programme 2 – PUBLIC WORKS  
For the year ended 31 March 2013

Appropriation per programme									
2012/13								2011/12	
Details per Sub-Programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
<b>2.1. INFRASTRUCTURE SUPPORT</b>									
Current payment	71 270	-	-	71 270	58 793	12 477	82.5%	64 775	73 594
Transfers and subsidies	-	-	-	-	155	(155)		-	-
Payment for capital assets	1 768	-	-	1 768	-	1 768		-	-
Payment for financial assets	-	-	-	-	164	(164)		-	-
<b>2.2. DESIGN</b>									
Current payment	-	-	-	-	-	-		-	-
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>2.3. PROPERTIES ND FACILITIES MANAGEMENT</b>									
Current payment	441 732	-	-	441 732	405 102	36 630	91.7%	387 377	362 685
Transfers and subsidies	54 453	-	-	54 453	44 394	10 059	81.5%	53 155	40 909
Payment for capital assets	10 735	-	-	10 735	1 834	8 901	17.1%	52 647	6 345
Payment for financial assets	-	-	-	-	33	(33)		37	37
<b>TOTAL</b>	<b>579 958</b>	<b>-</b>	<b>-</b>	<b>579 958</b>	<b>510 475</b>	<b>69 483</b>	<b>88.0%</b>	<b>557 991</b>	<b>483 570</b>

2012/13							2011/12		
Programme 2 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Current payments</b>									
Compensation of employees	374 014	-	-	374 014	364 705	9 309	97.5%	391 211	354 203
Goods and services	138 988	-	-	138 988	99 442	39 746	71.5%	87 070	81 702
Interest and rent on land	-	-	-	-	-	-		-	-
<b>Transfer and subsidies</b>	50 453	-	-	50 453	39 343	11 110	78.0%	48 279	39 734
Provinces and municipalities	-	-	-	-	-	-		-	-
Department agencies & accounts	-	-	-	-	-	-		-	-
Universities and technikons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	4 000	-	-	4 000	4 955	(955)	123.9%	2 350	1 546
Non-profit institutions	-	-	-	-	-	-		-	-
Households	-	-	-	-	-	-		-	-
Gifts and donations	-	-	-	-	-	-		-	-

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Payment for capital assets</b>									
Buildings & other fixed structures	10 735	-	-	10 735	1 834	8 901	17.1%	28 744	6 206
	1 768	-	-	1 768	-	1 768		300	142
Machinery & equipment	-	-	-	-	-	-		-	-
Heritage assets	-	-	-	-	-	-		-	-
Specialised military assets	-	-	-	-	-	-		-	-
Biological assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Software and other intangible assets	-	-	-	-	196	(196)		37	37
<b>Payment for financial assets</b>									
<b>Total</b>	<b>579 958</b>	<b>-</b>	<b>-</b>	<b>579 958</b>	<b>510 475</b>	<b>69 483</b>	<b>88%</b>	<b>557 991</b>	<b>483 570</b>

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

**Detail per programme 3 – EXPANDED PUBLIC WORKS PROGRAMME (EPWP)  
For the year ended 31 March 2013**

Appropriation per programme								2011/12	
2012/13									
Details per Sub-Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1. EXPANDED PUBLIC WORKS PROGRAMME</b>	33 852	-	-	33 852	26 165	7 687	77.3%	26 235	25 761
Current payment	-	-	-	-	-	-		-	-
Transfers and subsidies	-	-	-	-	-	-		-	-
Payment for capital assets	-	-	-	-	-	-		-	-
Payment for financial assets	-	-	-	-	-	-		-	-
<b>TOTAL</b>	<b>33 852</b>	<b>-</b>	<b>-</b>	<b>33 852</b>	<b>26 165</b>	<b>7 687</b>	<b>77.3%</b>	<b>26 235</b>	<b>25 761</b>

VOTE 9 – LP: PUBLIC WORKS

Appropriation Statement  
for the year ended 31 March 2013

2012/13								2011/12	
Programme 3 per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	15 595	-	-	15 595	11 071	4 524	71.0%	16 992	16 729
Goods and services	18 257	-	-	18 257	15 094	3 163	82.7%	9 243	9 030
Interest and rent on land	-	-	-	-	-	-		-	-
<b>Transfer and subsidies</b>									
Provinces and municipalities	-	-	-	-	-	-		-	-
Department agencies & accounts	-	-	-	-	-	-		-	-
Universities and technikons	-	-	-	-	-	-		-	-
Foreign governments and international organisations	-	-	-	-	-	-		-	-
Public corporations and private enterprises	-	-	-	-	-	-		-	2
Non-profit institutions	-	-	-	-	-	-		-	-
Households									
Gifts and donations									

**VOTE 9 – LP: PUBLIC WORKS**

**Appropriation Statement  
for the year ended 31 March 2013**

<b>Payment for capital assets</b>									
Buildings & other fixed structures	-	-	-	-	-	-		-	-
Machinery & equipment	-	-	-	-	-	-		-	-
Heritage assets	-	-	-	-	-	-		-	-
Specialised military assets	-	-	-	-	-	-		-	-
Biological assets	-	-	-	-	-	-		-	-
Land and subsoil assets	-	-	-	-	-	-		-	-
Software and other intangible assets	-	-	-	-	-	-		-	-
<b>Payment for financial assets</b>									
<b>Total</b>	<b>33 852</b>	<b>-</b>	<b>-</b>	<b>33 852</b>	<b>26 165</b>	<b>7 687</b>	<b>77.3%</b>	<b>26 235</b>	<b>25 761</b>

## VOTE 9 – LP: PUBLIC WORKS

### Notes to the Appropriation Statement for the year ended 31 March 2013

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

Detail of these transactions can be viewed in the notes on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

#### 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

#### 3. Detail on payments for financial assets

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

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
<b>PR1: Administration</b>	228 540	209 731	18 809	8%

The Department had posts that were vacant within the 2012/13 financial year which resulted in under spending amounting to R6.3 million. The austerity measures put in place per Circular 01/2012 also resulted in under spending amounting to R10 million.

<b>PR2: Public Works</b>	579 958	510 475	69 483	12%
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The Department had posts that were vacant within the 2012/13 financial year which resulted in an under spending amounting to R9.3 million. There was an under spending of R34 million on capital expenditure as a result in delays in awarding of tenders and delivery on site. The late submission of accounts by municipalities also resulted in under spending of R10 million.

**VOTE 9 – LP: PUBLIC WORKS**

**Notes to the Appropriation Statement  
for the year ended 31 March 2013**

**PR3: EPWP**                      33 852                      26 165                      7 687                      23%

The Department had posts that were vacant within the 2012/13 financial year which resulted in under spending amounting to R4.5 million. R3.1 million was under spent on the incentive grant due to fewer job opportunities being created.

<b>4.2 Per Economic classification</b>	<b>Final Appropriation R'000</b>	<b>Actual Expenditure R'000</b>	<b>Variance R'000</b>	<b>Variance as a % of Final Appropriation R'000</b>
<b>Current payments</b>				
Compensation of employees	559 342	539 211	20 131	4%
Goods and services	211 967	155 218	56 749	27%
Interest and rent on land	-	-	-	0%
Unauthorised expenditure approved	-	-	-	0%
<b>Transfers and subsidies</b>				
Provinces and municipalities	50 750	39 571	11 179	22%
Departmental agencies and accounts	-	-	-	0%
Universities and technikons	-	-	-	0%
Public corporations and private enterprises	-	-	-	0%
Foreign governments and international organisations	-	-	-	0%
Non-profit institutions	-	-	-	0%
Households	6 100	10 803	(4 703)	(77%)
Gifts and donations	-	-	-	0%
<b>Payments for capital assets</b>				
Buildings and other fixed structures	10 735	1 834	8 901	83%
Machinery and equipment	5 108	1 144	3 964	78%
Heritage assets	-	-	-	0%

**VOTE 9 – LP: PUBLIC WORKS**

**Notes to the Appropriation Statement  
for the year ended 31 March 2013**

Specialised military assets	-	-	-	0%
Biological assets	-	-	-	0%
Land and subsoil assets	-	-	-	0%
Software and other intangible assets	-	-	-	0%
<b>Payments for financial assets</b>		242	(242)	0%

The Department had 112 posts that were vacant within the 2012/13 financial year that could not be filled. The austerity measures put in place per Circular 01/2012 also resulted in under spending. The over spending under Households relates to leave gratuity and bursaries

paid to non-employees.

<b>4.3 Per conditional grant</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Public Works</b>				
Devolved Property Rates Grant	36 595	32 801	3 794	10%
EPWP Incentive Grant	6 900	3 180	3 720	54%

The under spending on the Devolved Property Rates Grant is due to late submission of invoices from municipalities for devolved rates and taxes. The Department under spent on the incentive grant due to fewer job opportunities being created.

**(LIMPOPO DEPARTMENT OF PUBLIC WORKS)  
VOTE 9**

**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2013**

<b>PERFORMANCE</b>	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	842 350	836 341
Statutory appropriation	2	1 652	1 492
Departmental revenue	3	11 118	2 830
Direct Exchequer Receipts	4	-	-
NRF Receipts		-	-
Aid assistance	6	-	-
<b>TOTAL REVENUE</b>		<b>855 120</b>	<b>840 663</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	7	539 211	528 059
Goods and services	8	155 218	167 145
Interest and rent on land	9	-	-
Aid assistance	6	-	-
Unauthorised expenditure approved without funding	13	-	39 095
<b>Total current expenditure</b>		<b>694 429</b>	<b>734 299</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	11	50 374	46 521
Aid assistance	6	-	-
Unauthorised expenditure approved without funding	13	-	-
<b>Total transfers and subsidies</b>		<b>50 374</b>	<b>46 521</b>

**(LIMPOPO DEPARTMENT OF PUBLIC WORKS)  
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**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2013**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Expenditure for capital assets</b>			
Tangible capital assets	12	2 978	8 543
Software and other intangible assets	12	-	-
Unauthorised expenditure approved without funding	13	-	-
<b>Total expenditure for capital assets</b>		<b>2 978</b>	<b>8 543</b>
<b>Payments for financial assets</b>	10	242	64
Direct Exchequer Payments	5	-	-
<b>TOTAL EXPENDITURE</b>		<b>748 023</b>	<b>789 427</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>107 097</b>	<b>51 236</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		95 979	48 406
Annual appropriation		88 717	41 987
Conditional grants		7 262	6 419
Unconditional grants		-	-
Departmental revenue and NRF Receipts	22	11 118	2 830
Direct Exchequer receipts/payments	23	-	-
Aid assistance	6	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>107 097</b>	<b>51 236</b>

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**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2013**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
<b>POSITION</b>			
<b>ASSETS</b>			
<b>Current Assets</b>		<b>101 049</b>	<b>52 045</b>
Unauthorised expenditure	13	-	-
Fruitless and wasteful expenditure	14	-	-
Cash and cash equivalents	15	96 670	50 616
Other financial assets	16	-	-
Prepayments and advances	17	-	18
Receivables	18	4 379	1 411
Loans	20	-	-
Aid assistance prepayments	6	-	-
Aid assistance receivable	6	-	-
<b>Non-Current Assets</b>		-	-
Investments	19	-	-
Loans	20	-	-
Other financial assets	16	-	-
<b>TOTAL ASSETS</b>		<b>101 049</b>	<b>52 045</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>100 801</b>	<b>51 820</b>
Voted funds to be surrendered to the Revenue Fund	21	95 979	48 406
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	22	4 588	3 319

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**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2013**

Direct Exchequer Receipts to be surrendered to the Revenue Fund	23	-	-
Bank overdraft	24	-	-
Payables	25	234	95
Aid assistance repayable	6	-	-
Aid assistance unutilised	6	-	-
<b>Non-Current Liabilities</b>			
Payables	26	-	-
<b>TOTAL LIABILITIES</b>		<b>100 801</b>	<b>51 820</b>
<b>NET ASSETS</b>		<b>248</b>	<b>225</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		248	225
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>248</b>	<b>225</b>
<b>NET ASSETS</b>		<b>2012/13</b>	<b>2011/12</b>
<b>Capitalisation Reserves</b>	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
Opening balance		-	-
Transfers:		-	-
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
<b>Recoverable revenue</b>			

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VOTE 9**

**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2013**

Opening balance	225	182
Transfers	23	43
Irrecoverable amounts written off		
Debts revised		
Debts recovered (included in Departmental receipts)		
Debts raised	23	43
Closing balance	<b>248</b>	<b>225</b>
<b>Retained funds</b>		
Opening balance	-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)	-	-
Utilised during the year	-	-
Other	-	-
Closing balance	-	-
<b>Revaluation Reserve</b>		
Opening balance	-	-
Revaluation adjustment (Housing Departments)	-	-
Transfers	-	-
Other	-	-
Closing balance	-	-
<b>TOTAL</b>	<b>248</b>	<b>225</b>

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**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

<b>CASH FLOW</b>	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>873 951</b>	<b>857 559</b>
Annual appropriated funds received	1.1	842 350	836 341
Statutory appropriated funds received	2	1 652	1 492
Departmental revenue received	3	29 949	19 726
Direct Exchequer Receipts	4	-	-
NRF Receipts		-	-
Aid assistance received	6	-	-
Net (increase)/decrease in working capital		(2 811)	39 079
Surrendered to Revenue Fund		(81 737)	(27 363)
Surrendered to RDP Fund/Donor		-	-
Current payments		(694 429)	(734 299)
Payments for financial assets		(242)	(64)
Transfers and subsidies paid		(50 374)	(46 521)
<b>Net cash flow available from operating activities</b>	<b>27</b>	<b>44 358</b>	<b>88 391</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	12	(2 978)	(8 543)
Proceeds from sale of capital assets	3.4	4 651	615
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
<b>Net cash flows from investing activities</b>		<b>1 673</b>	<b>(7 928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution/dividend received		-	-

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**ACCOUNTING POLICIES**  
**for the year ended 31 March 2013**

Increase/(decrease) in net assets	23	43
Increase/(decrease) in non-current payables	-	-
<b>Net cash flows from financing activities</b>	<b>23</b>	<b>43</b>
Net increase/(decrease) in cash and cash equivalents	46 054	80 506
Cash and cash equivalents at beginning of period	50 616	(29 890)
<b>Cash and cash equivalents at end of period</b>	<b>28</b>	<b>50 616</b>

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

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

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

**1.2 Presentation currency**

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

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**ACCOUNTING POLICIES**  
**for the year ended 31 March 2013**

**1.3 Rounding**

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

**1.4 Comparative figures**

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

**1.5 Comparative figures - Appropriation Statement**

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

**2. Revenue**

**2.1 Appropriated funds**

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

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

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Any amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

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

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**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**2.2 Departmental revenue**

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

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

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

**2.3 Direct Exchequer receipts**

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

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

**2.4 Direct Exchequer payments**

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

**2.5 Aid assistance**

Aid assistance is recognised as revenue when received.

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements.

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for the year ended 31 March 2013**

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year).

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

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

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year).

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

**3. Expenditure**

**3.1 Compensation of employees**

**3.1.1 Salaries and wages**

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

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

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

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**ACCOUNTING POLICIES**  
**for the year ended 31 March 2013**

**3.1.2 Social contributions**

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

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

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

**3.2 Goods and services**

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

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

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

**3.3 Interest and rent on land**

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

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**ACCOUNTING POLICIES**  
*for the year ended 31 March 2013*

**3.4 Payments for financial assets**

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

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

**3.5 Transfers and subsidies**

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**3.6 Unauthorised expenditure**

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

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

**3.7 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**3.8 Irregular expenditure**

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

**4. Assets**

**4.1 Cash and cash equivalents**

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

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

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

**4.2 Other financial assets**

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

**4.3 Prepayments and advances**

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

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

**4.4 Receivables**

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including Departmental employees) and are derecognised upon recovery or write-off.

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Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.5 Investments**

Capitalised investments are shown at cost in the statement of financial position.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

**4.6 Loans**

Loans are recognised in the statement of financial position when the cash is paid to the beneficiary. Loans that are outstanding at year-end are carried in the statement of financial position at cost plus accrued interest.

Amounts that are potentially irrecoverable are included in the disclosure notes.

**4.7 Inventory**

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the FIFO cost formula.

**4.8 Capital assets**

**4.8.1 Movable assets**

**Initial recognition**

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

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**for the year ended 31 March 2013**

All assets acquired prior to 1 April 2002 are included in the register R1.

**Subsequent recognition**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalised in the asset register of the Department on completion of the project.

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

**4.8.2 Immovable assets**

**Initial recognition**

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1. Where the fair value for the asset has already been determined as a reliable estimate, the Department can use fair value.

**Subsequent recognition**

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the Department that is accountable for the asset.

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

**4.8.3 Intangible assets**

**Initial recognition**

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

**Subsequent expenditure**

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for the year ended 31 March 2013**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the Department.

Maintenance is expensed as current “goods and services” in the statement of financial performance.

**5. Liabilities**

**5.1 Payables**

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

**5.2 Contingent liabilities**

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

**5.3 Contingent assets**

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

**5.4 Commitments**

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

**5.5 Accruals**

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

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**5.6 Employee benefits**

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

**5.7 Lease commitments**

**Finance lease**

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are not apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

**Operating lease**

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

**5.8 Impairment**

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

**5.9 Provisions**

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

**6. Receivables for Departmental revenue**

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

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**ACCOUNTING POLICIES  
for the year ended 31 March 2013**

**7. Net Assets**

**7.1 Capitalisation reserve**

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

**7.2 Recoverable revenue**

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

**8. Related party transactions**

Specific information with regards to related party transactions is included in the disclosure notes.

**9. Key management personnel**

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

**10. Public private partnerships**

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

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**1. Annual Appropriation**

**1.1. Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	<b>2012/13</b>		<b>Funds not requested/ not received</b>	<b>2011/12</b>
	<b>Final Appropriation R'000</b>	<b>Actual Funds Received R'000</b>	<b>R'000</b>	<b>Appropriation received R'000</b>
PR 1: Administration	228 540	228 540	-	252 115
PR 2: Public Works	579 958	579 958	-	557 991
PR 3: EPWP	33 852	33 852	-	26 235
<b>Total</b>	<b>842 350</b>	<b>842 350</b>	<b>-</b>	<b>836 341</b>

<b>1.2. Conditional grants</b>	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Total grants received	47	43 495	36 521
Provincial grants included in Total Grants received		-	-

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>1.3. Unconditional grants</b>			
Total grants received	48	-	-
		<hr/>	<hr/>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>2. Statutory Appropriation</b>			
President and Deputy President salaries		-	-
Member of executive committee/parliamentary officers		1 652	1 492
Judges and magistrates salaries		-	-
Sector education and training authorities (SETA)		-	-
National Skills Fund		-	-
<b>Total</b>		<hr/> <b>1 652</b>	<hr/> <b>1 492</b>
Actual Statutory Appropriation received		<hr/> <b>1 652</b>	<hr/> <b>1 492</b>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>3. Departmental revenue</b>			
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	29 107	19 264
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	-	158
Sales of capital assets	3.4	4 651	615
Transactions in financial assets and liabilities	3.5	842	304

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Transfer received	3.6	-	-
Total revenue collected		<u>34 600</u>	<u>20 341</u>
Less: Own revenue included in appropriation		<u>23 482</u>	<u>17 511</u>
<b>Departmental revenue collected</b>		<u><u>11 118</u></u>	<u><u>2 830</u></u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

		2012/13 R'000	2011/12 R'000
<b>3.1</b>	<b>Sales of goods and services other than capital assets</b>		
	Sales of goods and services produced by the Department	<b>27 875</b>	<b>16 542</b>
	Sales by market establishment	26 679	16 542
	Administrative fees	-	-
	Other sales	1 196	-
	Sales of scrap, waste and other used current goods	1 232	2 722
	<b>Total</b>	<b>29 107</b>	<b>19 264</b>
<b>3.2</b>	<b>Fines, penalties and forfeit</b>		
	Fines	-	-
	Penalties	-	-
	Forfeits	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>3.3</b>	<b>Interest, dividends and rent on land</b>		
	Interest	-	(3)
	Dividends	-	-
	Rent on land	-	161
	<b>Total</b>	<b>-</b>	<b>158</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

		<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>3.4 Sales of capital assets</b>	<b>Note 3</b>		
<b>Tangible assets</b>		<b>4 651</b>	<b>615</b>
Buildings and other fixed structures	45	216	615
Machinery and equipment	43	4 435	-
Specialised military assets	43	-	-
Land and subsoil assets	45	-	-
Biological assets	43	-	-
Computer software	44	-	-
Mastheads and publishing titles	44	-	-
Patents, licences, copyright, brand names, trademarks	44	-	-
Recipes, formulae, prototypes, designs, models	44	-	-
Services and operating rights	44	-	-
<b>Total</b>		<b>4 651</b>	<b>615</b>
<b>3.5 Transactions in financial assets and liabilities</b>	<b>Note 3</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		842	304
<b>Total</b>		<b>842</b>	<b>304</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>3.6 Transfers received</b>	<b>3</b>		
Other governmental units		-	-
Universities and technikons		-	-
Foreign governments		-	-
International organisations		-	-
Public corporations and private enterprises		-	-
Households and non-profit institutions		-	-
		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>4. Direct Exchequer Receipts</b>			
Fines, penalties and forfeits		-	-
Interest and dividends		-	-
Restructuring of State assets		-	-
Debt portfolio receipts		-	-
Other		-	-
<b>Total</b>		<hr/>	<hr/>
		<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

		<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>5.</b>	<b>Direct Exchequer Payments</b>			
	Debt portfolio		-	-
	Debt takeovers		-	-
	Other		-	-
	<b>Total</b>		<hr/> <hr/>	<hr/> <hr/>
		<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>6.</b>	<b>Aid assistance</b>			
<b>6.1</b>	<b>Aid assistance received in cash from RDP</b>			
	<b>Local</b>			
	Opening Balance		-	-
	Revenue		-	-
	Expenditure		-	-
	Current		-	-
	Capital		-	-
	Transfers		-	-
	Prepayments		-	-
	Surrendered to the RDP		-	-
	<b>Closing Balance</b>		<hr/> <hr/>	<hr/> <hr/>
	<b>Foreign</b>			
	Opening Balance		-	-
	Revenue		-	-
	Expenditure		-	-



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

<b>Closing Balance</b>		-	-
		-----	-----
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>6.3</b>	<b>Aid assistance received in cash from CARA Fund</b>		
	Opening Balance	-	-
	Revenue	-	-
	Expenditure	-	-
	Current	-	-
	Capital	-	-
	Transfers	-	-
	Prepayments	-	-
	Transferred to retained funds	-	-
	<b>Closing Balance</b>	-	-
		-----	-----
<b>6.4</b>	<b>Total</b>		
	Opening Balance	-	-
	Revenue	-	-
	Expenditure	-	-
	Current	-	-
	Capital	-	-
	Transfers	-	-
	Prepayments	-	-
	Surrendered/Transferred to retained funds	-	-
	<b>Closing Balance</b>	-	-
		-----	-----

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>6.5 Analysis of balance</b>			
<b>Aid assistance receivable</b>		-	-
RDP		-	-
Other sources		-	-
CARA Fund		-	-
<b>Aid assistance prepayments</b>		-	-
RDP		-	-
Other sources		-	-
CARA Fund		-	-
<b>Aid assistance unutilised</b>		-	-
RDP		-	-
Other sources		-	-
CARA Fund		-	-
<b>Aid assistance repayable</b>		-	-
RDP		-	-
Other sources		-	-
<b>CARA funds transferred to Retained Funds</b>		-	-
<b>Closing Balance</b>		-	-
		<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>7. Compensation of employees</b>	<i>Note</i>		
<b>7.1 Salaries and wages</b>			
Basic salary		382 409	371 187
Performance award		1 528	6 481
Service Based		1 415	1 411

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Compensative/circumstantial		2 606	2 808
Periodic payments		-	-
Other non-pensionable allowances		71 214	69 655
<b>Total</b>		<b>459 172</b>	<b>451 542</b>
		<b>2012/13</b>	<b>2011/12</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>7.2. Social contributions</b>			
<b>Employer contributions</b>			
Pension		49 272	47 095
Medical		30 619	29 244
UIF		-	-
Bargaining council		148	178
Official unions and associations		-	-
Insurance		-	-
<b>Total</b>		<b>80 039</b>	<b>76 517</b>
<b>Total compensation of employees</b>		<b>539 211</b>	<b>528 059</b>
<b>Average number of employees</b>		<b>2 595</b>	<b>3 249</b>
		<b>2012/13</b>	<b>2011/12</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>8. Goods and services</b>			
Administrative fees		-	-
Advertising		344	1 712
Assets less than R5,000	8.1	135	631
Bursaries (employees)		-	1 567
Catering		160	568
Communication		6 923	8 032
Computer services	8.2	9 153	8 502

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Consultants, contractors and agency/outsourced services	8.3	57 840	36 789
Entertainment		-	-
Audit cost – external	8.4	5 007	3 865
Fleet services		8 248	10 931
Inventory	8.5	5 126	8 700
Housing		-	-
Operating leases		28 405	28 860
Property payments	8.6	23 647	39 648
Rental and hiring		-	-
Transport provided as part of the Departmental activities		-	-
Travel and subsistence	8.7	8 566	13 890
Venues and facilities		363	875
Training and staff development		1 272	2 322
Other operating expenditure	8.8	29	253
<b>Total</b>		<b><u>155 218</u></b>	<b><u>167 145</u></b>

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		2012/13 R'000	2011/12 R'000
<b>8.1 Assets less than R5 000</b>	<b>Note 8</b>		
<b>Tangible assets</b>		<b>135</b>	<b>631</b>
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		135	631
Transport assets		-	-
Specialised military assets		-	-
<b>Intangible assets</b>		-	-
<b>Total</b>		<b>135</b>	<b>631</b>
<b>8.2 Computer services</b>	<b>Note 8</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
SITA computer services		9 115	8 502
External computer service providers		38	-
<b>Total</b>		<b>9 153</b>	<b>8 502</b>
<b>8.3 Consultants, contractors and agency/outsourced services</b>	<b>Note 8</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Business and advisory services		-	-
Infrastructure and planning		-	-
Laboratory services		-	-
Legal costs		-	-
Contractors		16 185	3 820
Agency and support/outsourced services		41 655	32 969

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<b>Total</b>			<b>57 840</b>	<b>36 789</b>
			<b>2012/13</b>	<b>2011/12</b>
		<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>8.4</b>	<b>Audit cost – External</b>	<b>8</b>		
	Regularity audits		5 007	3 865
	Performance audits		-	-
	Investigations		-	-
	Environmental audits		-	-
	Computer audits		-	-
	<b>Total</b>		<b>5 007</b>	<b>3 865</b>
			<b>2012/13</b>	<b>2011/12</b>
		<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>8.5</b>	<b>Inventory</b>	<b>8</b>		
	Medsas inventory interface		-	-
	Learning and teaching support material		16	294
	Food and food supplies		-	65
	Fuel, oil and gas		-	-
	Other consumable materials		1 170	2 711
	Materials and supplies		1 045	2 070
	Stationery and printing		2 895	3 560
	Medical supplies		-	-
	Medicine		-	-
	Military stores		-	-
	<b>Total</b>		<b>5 126</b>	<b>8 700</b>
			<b>2012/13</b>	<b>2011/12</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	<i>Note</i>	R'000	R'000
<b>8.6 Property payments</b>	<b>8</b>		
Municipal services		23 591	20 843
Property management fees		-	-
Property maintenance and repairs		56	18 805
Other		-	-
<b>Total</b>		<b><u>23 647</u></b>	<b><u>39 648</u></b>
		<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
<b>8.7 Travel and subsistence</b>	<b>8</b>		
Local		8 566	13 529
Foreign		-	361
<b>Total</b>		<b><u>8 566</u></b>	<b><u>13 890</u></b>
		<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
<b>8.8 Other operating expenditure</b>	<b>8</b>		
Learnerships		-	-
Professional bodies, membership and subscription fees		-	-
Resettlement costs		-	252
Gifts		-	-
Other		29	1
<b>Total</b>		<b><u>29</u></b>	<b><u>253</u></b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>9. Interest and rent on land</b>			
Interest paid		-	-
Rent on land		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>10. Payments for financial assets</b>			
Material losses through criminal conduct		-	-
Theft	10.4	-	-
Other material losses	10.1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	10.2	-	-
Debts written off	10.3	242	64
Forex losses	10.5	-	-
<b>Total</b>		<u><b>242</b></u>	<u><b>64</b></u>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>10.1 Other material losses</b>	10		
<b>Nature of losses</b>			
(Group major categories, but list material items)			
<b>Total</b>		<u>-</u>	<u>-</u>

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	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>10.2 Other material losses written off</b>	<i>10</i>		
<b>Nature of losses</b>			
(Group major categories, but list material items)			
<b>Total</b>		-	-
		<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
<b>10.3 Debts written off</b>	<i>10</i>		
<b>Nature of debts written off</b>			
(Group major categories, but list material items: debts written off relating to irregular expenditure, recoverable expenditure and other debts must be listed here)		-	-
Irregular expenditure written off			
<b>Total</b>		-	-
Recoverable revenue written off			
<b>Total</b>			
Other debt written off			
Debts written off		229	64
Interest paid for late refund on rental		13	-
<b>Total</b>		<b>242</b>	<b>64</b>
<b>Total debt written off</b>		<b>242</b>	<b>64</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>10.4 Details of theft</b>	<i>10</i>		
<b>Nature of theft</b>			
(Group major categories, but list material items)			
<b>Total</b>		<u>-</u>	<u>-</u>
<b>10.5 Forexlosses</b>	<i>10</i>		
<b>Nature of losses</b>			
(Group major categories, but list material items)			
<b>Total</b>		<u>-</u>	<u>-</u>
<b>11. Transfers and subsidies</b>	<i>10</i>		
Provinces and municipalities	<i>47, 48, Annex 1A, Annex 1B</i>	39 571	39 734
Departmental agencies and accounts	<i>Annex 1C</i>	-	-
Universities and technikons	<i>Annex 1D</i>	-	-
Foreign governments and international organisations	<i>Annex 1F</i>	-	-
Public corporations and private enterprises	<i>Annex 1E</i>	-	-
Non-profit institutions	<i>Annex 1G</i>	-	-
Households	<i>Annex 1H</i>	10 803	6 787
Gifts, donations and sponsorships made	<i>Annex 1K</i>	-	-
<b>Total</b>		<u><b>50 374</b></u>	<u><b>46 521</b></u>

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Unspent funds transferred to the above beneficiaries			
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>12. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>2 978</b>	<b>8 543</b>
Buildings and other fixed structures	45	1 834	6 206
Heritage assets	43, 44	-	-
Machinery and equipment	43	1 144	2 337
Specialised military assets	43	-	-
Land and subsoil assets	44	-	-
Biological assets	42	-	-
<b>Software and other intangible assets</b>		-	-
Computer software	43	-	-
Mastheads and publishing titles	43	-	-
Patents, licences, copyright, brand names, trademarks	43	-	-
Recipes, formulae, prototypes, designs, models	43	-	-
Services and operating rights	43	-	-
<b>Total</b>		<b>2 978</b>	<b>8 543</b>
The following amounts have been included as project costs in			
Expenditure for capital assets		-	-
Compensation of employees		-	-
Goods and services		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

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**12.1 Analysis of funds utilised to acquire capital assets – 2012/13**

	<b>Voted funds R'000</b>	<b>Aid assistance R'000</b>	<b>Total R'000</b>
<b>Tangible assets</b>	<b>2 978</b>	-	<b>2 978</b>
Buildings and other fixed structures	1 834	-	1 834
Heritage assets	-	-	-
Machinery and equipment	1 144	-	1 144
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
<b>Software and other intangible assets</b>	-	-	-
Computer software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
<b>Total</b>	<b>2 978</b>	-	<b>2 978</b>

**12.2 Analysis of funds utilised to acquire capital assets – 2011/12**

	<b>Voted funds R'000</b>	<b>Aid assistance R'000</b>	<b>Total R'000</b>
<b>Tangible assets</b>	<b>8 543</b>	-	<b>8 543</b>
Buildings and other fixed structures	6 206	-	6 206
Heritage assets	-	-	-
Machinery and equipment	2 337	-	2 337
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-

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<b>Software and other intangible assets</b>	-	-	-
Computer software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
<b>Total</b>	<b>8 543</b>		<b>8 543</b>

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>13. Unauthorised expenditure</b>			
<b>13.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		-	39 095
Unauthorised expenditure – discovered in current year	21	-	-
Less: Amounts approved by Parliament/Legislature with funding			
Less: Amounts approved by Parliament/Legislature without funding and written off in the Statement of Financial Performance		-	<b>(39 095)</b>
Capital		-	(39 095)
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery		-	-
<b>Unauthorised expenditure awaiting authorisation / written off</b>		<b>-</b>	<b>-</b>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>

**13.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification**

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Capital			
Current		-	-
Transfers and subsidies		-	-
<b>Total</b>		-	-
		<hr/> <hr/>	<hr/> <hr/>
		<b>2012/13</b>	<b>2011/12</b>
	<b>Note</b>	<b>R'000</b>	<b>R'000</b>

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<b>13.3</b>	<b>Analysis of unauthorised expenditure awaiting authorisation per type</b>			
	Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-		-
	Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-		-
	<b>Total</b>	<u>-</u>		<u>-</u>
<b>13.4</b>	<b>Details of unauthorised expenditure – current year</b>			
	<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		<b>2012/13 R'000</b>
	<b>Total</b>			<u>-</u>
		<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>14</b>	<b>Fruitless and wasteful expenditure</b>			
<b>14.1</b>	<b>Reconciliation of fruitless and wasteful expenditure</b>			
	Opening balance		-	-
	Less: Amounts condoned		-	-
	Current		-	-
	Capital		-	-
	Transfers and subsidies		-	-
	Less: Amounts transferred to receivables for recovery		-	-
	<b>Fruitless and wasteful expenditure awaiting resolution</b>		<u>-</u>	<u>-</u>
	<b>Analysis of awaiting condonement per economic classification</b>			
	Current		-	-
	Capital		-	-
	Transfers and subsidies		-	-

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			-	-
<b>Total</b>				
			<b>2012/13</b>	<b>2011/12</b>
	<i>Note</i>		<b>R'000</b>	<b>R'000</b>
<b>15</b>	<b>Cash and cash equivalents</b>			
	Consolidated Paymaster General Account		(4)	(288)
	Cash receipts		-	-
	Disbursements		(10 660)	-
	Cash on hand		-	-
	Investments( Domestic)		107 334	50 904
	Investments (Foreign)		-	-
	<b>Total</b>		<b>96 670</b>	<b>50 616</b>
			<b>2012/13</b>	<b>2011/12</b>
		<i>Note</i>	<b>R'000</b>	<b>R'000</b>
<b>16</b>	<b>Other financial assets</b>			
	<b>Current</b>		-	-
	<b>Local</b>		-	-
	(Group major categories, but list material items)		-	-
	<b>Total</b>		-	-
	<b>Foreign</b>		-	-
	(Group major categories, but list material items)		-	-
	<b>Total</b>		-	-
	<b>Total Current other financial assets</b>		-	-

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<b>Non-current</b>			
<b>Local</b>		-	-
(Group major categories, but list material items)		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
<b>Foreign</b>		-	-
(Group major categories, but list material items)		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>Total Non-current other financial assets</b>		<u><u>-</u></u>	<u><u>-</u></u>

**17 Prepayments and advances**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Staff advances		-	18
Travel and subsistence		-	-
Prepayments		-	-
Advances paid to other entities		-	-
SOCPEN advances		-	-
<b>Total</b>		<u>-</u>	<u>18</u>

<b>2012/13</b>					<b>2011/12</b>
<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>		<b>R'000</b>

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<b>18 Receivables</b>		<b>Less than one year</b>	<b>One to three years</b>	<b>Older than three years</b>	<b>Total</b>	<b>Total</b>
Claims recoverable	18.1 <i>Annex 4</i>	-	-	-	-	-
Trade receivables	18.2	-	-	-	-	-
Recoverable expenditure	18.3	-	-	54	54	479
Staff debt	18.4	1 038	246	317	1 602	932
Other debtors	18.5	2 723	-	-	2 723	-
<b>Total</b>		<b>3 762</b>	<b>246</b>	<b>371</b>	<b>4 379</b>	<b>1 411</b>

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>18.1 Claims recoverable</b>			
National Departments		-	-
Provincial Departments		-	-
Foreign governments		-	-
Public entities		-	-
Private enterprises		-	-
Universities and technikons		-	-
Households and non-profit institutions		-	-
Local governments		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>18.2 Trade receivables</b>			
(Group major categories, but list material items)		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

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	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>18.3 Trade receivables</b>			
Sal: Deduction disallowance account	-		39
Sal: Disallowance account	-		99
Sal: Tax Debt	38		44
Sal: Reversal Control Account	13		73
Disallowance Dishonoured Cheques	3		224
<b>Total</b>		<b>54</b>	<b>479</b>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>18.4 Staff debt</b>			
Debt Account		1 486	924
Sal: Income Tax: CL		103	-
Sal: Pension Fund: CL		13	8
<b>Total</b>		<b>1 602</b>	<b>932</b>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>18.5 Other debts</b>			
(Group major categories, but list material items)		-	-
Department of Sports, Arts and Culture		2 705	-
Department of Home affairs		7	-
Department of Water affairs		11	-
<b>Total</b>		<b>2 723</b>	<b>-</b>
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>19 Investments</b>			

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**20 Loans**

	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Public corporations		-	-
Universities and technikons		-	-
Foreign governments		-	-
Private enterprises		-	-
Non-profit institutions		-	-
Staff loans		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Analysis of Balance</b>			
Opening balance		-	-
New Issues		-	-
Repayments		-	-
Write-offs		-	-
<b>Closing balance</b>		<b>-</b>	<b>-</b>

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	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>21 Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		48 406	7 788
Transfer from statement of financial performance		95 979	48 406
Add: Unauthorised expenditure for current year	13	-	-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)	21.1	-	-
Paid during the year		<u>(48 406)</u>	<u>(7 788)</u>
<b>Closing balance</b>		<b><u>95 979</u></b>	<b><u>48 406</u></b>
 <b>21.1 Voted funds / (Excess expenditure) transferred to the retained funds (Parliament / Legislatures ONLY)</b>			
Opening balance			
Transfer from statement of financial performance			
Transfer from Departmental Revenue to defray excess expenditure			
<b>Closing balance</b>			
		<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>22 Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>	<i>Note</i>		
Opening balance	9		3
Transfer from Statement of Financial Performance	18		0
Own revenue included in appropriation	82		11
Transfer from aid assistance			
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)			
Paid during the year		<u>(33 331)</u>	<u>(19 575)</u>
<b>Closing balance</b>	<b>8</b>	<b><u>          </u></b>	<b><u>          </u></b>

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	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>	
<b>23 Direct Exchequer receipts to be surrendered to the Revenue Fund</b>				
Opening balance		-	-	
Transfer from Statement of Financial Performance		-	-	
Paid during the year		-	-	
<b>Closing balance</b>		<u>-</u>	<u>-</u>	
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>	<b>R'000</b>
<b>24 Bank Overdraft</b>				
Consolidated Paymaster General Account		-	-	
Fund requisition account		-	-	
Overdraft with commercial banks (Local)		-	-	
Overdraft with commercial banks (Foreign)		-	-	
<b>Total</b>		<u>-</u>	<u>-</u>	
	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>	
<b>25 Payables – current</b>				
Amounts owing to other entities	<i>Annex 5</i>	-	-	
Advances received	<i>25.1</i>	-	-	
Clearing accounts	<i>25.2</i>	-	95	
Other payables	<i>25.3</i>	234	-	
<b>Total</b>		<u>234</u>	<u>95</u>	

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	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>25</b>	<b>R'000</b>	<b>R'000</b>
<b>25.1 Advances received</b>			
(Identify major categories, but list material amounts)			
<b>Total</b>		<u>-</u>	<u>-</u>
	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>25</b>	<b>R'000</b>	<b>R'000</b>
<b>25.2 Clearing accounts</b>			
Sal: Income Tax		-	95
(Identify major categories, but list material amounts)			
<b>Total</b>		<u>-</u>	<u>95</u>
	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>25</b>	<b>R'000</b>	<b>R'000</b>
<b>25.3 Other payables</b>			
Other payables		-	-
(Identify major categories, but list material amounts)			
Rental deposits		234	-
<b>Total</b>		<u>234</u>	<u>-</u>

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**26 Payables – non-current**

		<b>2012/13 R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>2011/12 R'000</b>
		<b>One to two years</b>	<b>Two to three years</b>	<b>More than three years</b>	<b>Total</b>	<b>Total</b>
	<i>Note</i>					
Amounts owing to other entities		-	-	-	-	-
Advances received	<u>26.1</u>	-	-	-	-	-
Other payables	<u>26.2</u>	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**26.1 Advances received**  
(Identify major categories, but list material amounts)  
**Total**

<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	<hr/>	<hr/>
	<b>-</b>	<b>-</b>

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	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>26.2 Other payables</b>			
(Identify major categories, but list material amounts)			
<b>Total</b>		<u>-</u>	<u>-</u>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>27 Net cash flow available from operating activities</b>			
Net surplus/(deficit) as per Statement of Financial Performance		107 097	51 236
Add back non cash/cash movements not deemed operating activities		(62 739)	37 155
(Increase)/decrease in receivables – current		(2 968)	53
(Increase)/decrease in prepayments and advances		18	1
(Increase)/decrease in other current assets		-	39 095
Increase/(decrease) in payables – current		139	(70)
Proceeds from sale of capital assets		(4 651)	(615)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		2 978	8 543
Surrenders to Revenue Fund		(81 737)	(27 363)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		23 482	17 511
Other non-cash items		-	-
<b>Net cash flow generated by operating activities</b>		<u><b>44 358</b></u>	<u><b>88 391</b></u>

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	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>28 Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		(4)	(288)
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		(10 660)	-
Cash on hand		-	-
Cash with commercial banks (Local)		107 334	50 904
Cash with commercial banks (Foreign)		-	-
<b>Total</b>		<b>96 670</b>	<b>50 616</b>

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

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>29</b>			
<b>Contingent liabilities and contingent assets</b>			
<b>29.1</b>			
<b>Contingent liabilities</b>			
Motor vehicle guarantees Employees	<i>Annex 3A</i>	-	-
Housing loan guarantees Employees	<i>Annex 3A</i>	83	183
Other guarantees	<i>Annex 3A</i>	-	-
Claims against the Department	<i>Annex 3B</i>	22 697	24 980
Other Departments (interdepartmental unconfirmed balances)	<i>Annex 5</i>	-	-
Environmental rehabilitation liability	<i>Annex 3B</i>	-	-
Other	<i>Annex 3B</i>	-	-
<b>Total</b>		<b>22 780</b>	<b>25 163</b>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>29.2</b>			
<b>Contingent assets</b>			
<b>Nature of contingent asset</b>			
Stolen Vehicle		80	80
Vehicle Accidents		187	112
<b>Total</b>		<b>267</b>	<b>192</b>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>30</b>			
<b>Commitments</b>			
<b>Current expenditure</b>			
Approved and contracted		124 767	13 825
Approved but not yet contracted		404	-

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	<u>125 171</u>	<u>13 825</u>
<b>Capital expenditure</b>		
Approved and contracted	3 158	36 564
Approved but not yet contracted	-	-
	<u><b>3 158</b></u>	<u><b>36 564</b></u>
<b>Total Commitments</b>	<u><b>128 329</b></u>	<u><b>50 389</b></u>

*The security tenders are for a three year period and will expire in March 2016. The commitment amounting to R 52 060 459 is for longer than a year. The Department has an existing contract with SITA which will end on the 21<sup>st</sup> September 2014 The balance on the contract amounts to R 1 901 907.*

			<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>31 Accruals</b>	<b>Note</b>			
Listed by economic classification		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>
				<b>Total</b>
Goods and services		5 251	1 422	6 673
Interest and rent on land				5 971
Transfers and subsidies		974	20 221	21 195
Capital assets				976
Other		2 715	257	2 972
<b>Total</b>		<u><b>8 940</b></u>	<u><b>21 900</b></u>	<u><b>30 840</b></u>
				<u><b>10 114</b></u>
<b>Listed by programme level</b>	<b>Note</b>		<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
PR1: Administration			2 982	4 325
PR2: Public Works			27 314	5 583
PR3: EPWP			544	206

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<b>Total</b>			<b>30 840</b>	<b>10 114</b>
	<i>Note</i>		<b>2012/13</b>	<b>2011/12</b>
			<b>R'000</b>	<b>R'000</b>
Confirmed balances with other Departments	<i>Annex 5</i>		2 723	-
Confirmed balances with other government entities	<i>Annex 5</i>			
<b>Total</b>			<b>2 723</b>	<b>-</b>
	<i>Note</i>		<b>2012/13</b>	<b>2011/12</b>
			<b>R'000</b>	<b>R'000</b>
<b>32 Employee benefits</b>				
Leave entitlement			22 036	19 348
Service bonus (Thirteenth cheque)			16 431	15 926
Performance awards			8 380	8 630
Capped leave commitments			117 487	115 622
Other			-	-
<b>Total</b>			<b>164 334</b>	<b>159 526</b>
<b>33 Lease commitments</b>				
<b>33.1 Operating leases expenditure</b>				
			<b>Buildings and</b>	
			<b>other fixed</b>	
			<b>structures</b>	
			<b>Machinery and</b>	
			<b>equipment</b>	
<b>2012/13</b>		<b>Land</b>		<b>Total</b>
		<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
	<b>Specialised</b>			
	<b>military</b>			
	<b>equipment</b>			
	<b>R'000</b>			
Not later than 1 year	-	-	-	167
Later than 1 year and not later than 5 years	-	-	-	-
Later than five years	-	-	-	-
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167</b>

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	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2011/12</b>					
Not later than 1 year	-	-	-	911	911
Later than 1 year and not later than 5 years	-	-	-	188	188
Later than five years	-	-	-	-	-
<b>Total lease commitments</b>	-	-	-	<b>1 099</b>	<b>1 099</b>
			<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
Rental earned on lease sub-leased assets			<b>3</b>	<b>R'000</b>	<b>R'000</b>
<b>Total</b>				<b>-</b>	<b>-</b>

**33.2 Finance leases expenditure**

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2012/13</b>					
Not later than 1 year	-	-	29 263	1 029	30 292
Later than 1 year and not later than 5 years	-	-	190 890	426	191 316
Later than five years	-	-	3 778	-	3 778
Total lease commitments	-	-	<b>223 931</b>	<b>1 455</b>	<b>225 386</b>
LESS: finance costs	-	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	<b>223 931</b>	<b>1 455</b>	<b>225 386</b>

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Later than five years	-	-	-	-	-
<b>Total operating lease revenue receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<b>Specialised military equipment R'000</b>	<b>Land R'000</b>	<b>Buildings and other fixed structures R'000</b>	<b>Machinery and equipment R'000</b>	<b>Total R'000</b>
<b>2011/12</b>					
Not later than 1 year	-	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
<b>Total operating lease revenue receivable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Rental earned on lease sub-leased assets	3	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>34 Receivables for Departmental revenue</b>			
Tax revenue		-	-
Sales of goods and services other than capital assets		-	-
Fines, penalties and forfeits		-	-

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**35 Irregular expenditure**

**35.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Opening balance		40 776	10 322
Add: Irregular expenditure – relating to prior year			-
Add: Irregular expenditure – relating to current year		21 995	30 454
Less: Amounts condoned			-
Less: Amounts recoverable (not condoned)			-
Less: Amounts not recoverable (not condoned)			-
<b>Irregular expenditure awaiting condonation</b>		<b><u>62 771</u></b>	<b><u>40 776</u></b>
 <b>Analysis of awaiting condonation per age classification</b>			
Current year		21 995	30 454
Prior years		40 776	10 322
<b>Total</b>		<b><u>62 771</u></b>	<b><u>40 776</u></b>

The Department is investigating possible instances of irregular expenditure which has not been included in the amount disclosed above. The full extent of irregularity would only be known at the conclusion of these investigations. The amount disclosed above may change based on the outcome of these investigations.

**35.2 Details of irregular expenditure – current year**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2012/13 R'000</b>
Extension of security contract on a month to month basis for 34 sites		21 684

**Injury on duty**  
**Injury on duty, 1 April 2012 to 31 March 2013**

Nature of injury on duty	Number	% of total
Required basic medical attention only	34	1
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	1	0
<b>Total</b>	<b>35</b>	<b>1</b>

**Utilization of consultants**

**Report on consultant appointment using appropriation funds**

Project Title	Total Number of consultants that worked on project	Duration Work days	Contract value in Rand
None	0	0	0

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	0	0	0

**Analysis of consultant appointment using appropriation 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
None	0	0	0

**Report on consultant appointment using Donor funds**

Project Title	Total Number of consultants that worked on project	Duration Work days	Donor and Contract value in Rand
None	0	0	0
None	0	0	0
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand

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<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>			<b>2012/13 R'000</b>
Interest charged by Eskom and municipalities for late payment	Still under investigation			45
Interest charged and legal fees for bonus payments for SMS	Still under investigation			101
Arbinger Training Institute, training not conducted –expenditure incurred	Still under investigation			18
Payments for repairs of the MEC vehicle not covered by maintenance plan	Still under investigation			5
Hiring of vehicle for MEC whilst official car was being repaired	Still under investigation			24
Interest paid to Mackay I, for rental overcharge	Still under investigation			4
Interest paid to Mathebula for rental overcharged	Still under investigation			9
<b>Total</b>				<b>206</b>
<b>37</b>	<b>Related party transactions</b>			
	<b>Revenue received</b>	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	Tax revenue/ User charges		-	-
	Sales of goods and services other than capital assets		-	-
	Fines, penalties and forfeits		-	-
	Interest, dividends and rent on land		-	-
	Sales of capital assets		-	-
	Transactions in financial assets and liabilities		-	-
	Transfers		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>
	<b>Payments made</b>	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>

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		<b>R'000</b>	<b>R'000</b>
Goods and services		36	-
Interest and rent on land		-	-
Purchases of capital assets		-	-
Transactions in financial assets and liabilities		-	-
Transfers		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Year end balances arising from revenue/payments</b>			
Receivables from related parties		-	-
Payables to related parties		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Loans to /from related parties</b>			
Non-interest bearing loans to/(from)		-	-
Interest bearing loans to/(from)		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
<b>Other</b>			
	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Guarantees issued/received		-	-
<i>List other contingent liabilities between Department and related party</i>		-	-
<b>SITA</b>		<u>-</u>	<u>-</u>
<b>Total</b>		<u>-</u>	<u>-</u>

*List related party relationships*

*1 Provincial Treasury: is coordinating Audit Committee to the Department without any charge*

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- 2 Provincial Treasury: is offering internal audit services to the Department without any charge  
3 Legislature: Portfolio Committee is offering an oversight function without any charge  
4 NDPW: is offering administration support in terms of sec 100(1)b without any charge  
5 National Treasury: is offering administration support in terms of sec 100(1)b without any charge  
6 Office of the Premier: Is rendering legal service function to the Department without any charge  
7 The Department is accommodating Department of Safety and Security at Works Tower(leased building without any charge  
8 The Department provides accommodation to Legislature, Safety and security, LDSAC, Office of the Premier, COGHSTA, Provincial Treasury, Education, Health, Agriculture, LEDET, Roads and Transport, Social Development, Water Affairs, SASSA and Home affairs without any charge  
9A vehicle was hired from Department of Roads and Transport for the MEC

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**38 Key management personnel**

	<b>No. of Individuals</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Political office bearers (provide detail below)	1	1 652	1 318
Officials:			
Level 15 to 16	1	1 062	1 024
Level 14 (incl. CFO if at a lower level)	6	4 152	4 187
Family members of key management personnel			151
<b>Total</b>		<b>6 866</b>	<b>6 680</b>

**Key management personnel (Parliament/Legislatures)**

	<b>No. of Individuals</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
Speaker to Parliament / the Legislature		-	-
Secretary to Parliament / the Legislature		-	-
Deputy Secretary		-	-
Chief Financial Officer		-	-
Legal Advisor		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

**39 Public Private Partnership**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Contract fee received</b> (Specify)		-	-
<b>Contract fee paid</b> Fixed component		-	-
Indexed component		-	-

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<b>Analysis of indexed component</b>		
Compensation of employees	-	-
Goods and services (excluding lease payments)	-	-
Operating leases	-	-
Interest	-	-
 <b>Capital/ (Liabilities)</b>		
Tangible rights	-	-
Intangible rights	-	-
Property	-	-
Plant and equipment	-	-
Loans	-	-
 <b>Other</b>		
Prepayments and advances	-	-
Pre-production obligations	-	-
Other obligations	-	-

Any guarantees issued by the Department are disclosed in Note 29.1

**40 Impairment**

	<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>Impairment</b>			
Investments		-	-
Loans		-	-
Debtors		229	587
Other		-	-
<b>Total</b>		<b>229</b>	<b>587</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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<b>41</b>	<b>Provisions</b>			
		<i>Note</i>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
	Please specify			
	<b>Total</b>		-	-

<b>42</b>	<b>Non-adjusting events after reporting date</b>			
	Include an estimate of the financial effect of the subsequent non-adjusting events or a statement that such an estimate cannot be made.			<b>2012/13 R'000</b>
	<b>Total</b>			-

**43 Movable Tangible Capital Assets  
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Opening balance	Cur-Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>					
Heritage assets	-	-	-	-	-

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**MACHINERY AND EQUIPMENT**

	<b>101 808</b>	<b>(13 517)</b>	<b>1 144</b>	<b>9 094</b>	<b>80 341</b>
Transport assets	30 449	9	934	4 852	26 540
Computer equipment	26 734	(9 120)	-	2 636	14 978
Furniture and office equipment	18 393	(3 146)	122	563	14 806
Other machinery and equipment	26 232	(1 260)	88	1 043	24 017

**SPECIALISED MILITARY ASSETS**

Specialised military assets	-	-	-	-	-
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**BIOLOGICAL ASSETS**

Biological assets	-	-	-	-	-
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**TOTAL MOVABLE TANGIBLE  
CAPITAL ASSETS**

	<b>101 808</b>	<b>(13 517)</b>	<b>1 144</b>	<b>9 094</b>	<b>80 341</b>
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**43.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, Total not paid (Paid current year, received prior year)	Total
------	----------	--	--	-------

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**43.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
<b>HERITAGE ASSETS</b>				
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>				
	<b>8 500</b>	<b>594</b>	<b>9 094</b>	<b>4 435</b>
Transport assets	4 852	-	4 852	4 435
Computer equipment	2 628	8	2 636	-
Furniture and office equipment	309	254	563	-
Other machinery and equipment	711	332	1 043	-
<b>SPECIALISED MILITARY ASSETS</b>				
Specialised military assets	-	-	-	-
<b>BIOLOGICAL ASSETS</b>				
Biological assets	-	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8 500</b>	<b>594</b>	<b>9 094</b>	<b>4 435</b>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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43.3 Movement for 2011/12

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>				
Heritage assets	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>99 471</b>	<b>2 337</b>	<b>-</b>	<b>101 808</b>
Transport assets	29 019	1 430	-	30 449
Computer equipment	26 734	-	-	26 734
Furniture and office equipment	17 833	560	-	18 393
Other machinery and equipment	25 885	347	-	26 232
<b>SPECIALISED MILITARY ASSETS</b>				
Specialised military assets	-	-	-	-
<b>BIOLOGICAL ASSETS</b>				
Biological assets	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>99 471</b>	<b>2 337</b>	<b>-</b>	<b>101 808</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**43.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance	-	-	-	1 688	-	1 688
Current Year Adjustments to Prior Year balances	-	-	-	12 905	-	12 905
Additions	-	-	-	135	-	135
Disposals	-	-	-	1 252	-	1 252
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 476</b>	<b>-</b>	<b>13 476</b>
	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets				13 520		13 520
Number of minor assets at cost				5 785		5 785
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 305</b>		<b>19 305</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Minor assets**

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

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance	-	-	-	1 273	-	1 273
Current Year Adjustments to Prior Year balances	-	-	-	-	-	-
Additions	-	-	-	415	-	415
Disposals	-	-	-	-	-	-
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 688</b>	<b>-</b>	<b>1 688</b>
	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets				18 077		18 077
Number of minor assets at cost				938		938
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 015</b>	<b>-</b>	<b>19 015</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**43.5 Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Assets written off	-	-	-	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>tal R'000</b>
Assets written off	-	-	-	-	-	-
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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44 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	-	-	-	-	-

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**44.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	<b>Cash</b>	<b>Non-Cash</b>	<b>(Development work in progress – current costs)</b>	<b>Received current year, not paid (Paid current year, received prior year)</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
COMPUTER SOFTWARE	-	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**44.2 Disposals**

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	<b>Sold for cash</b>	<b>Transfer out or destroyed or scrapped</b>	<b>Total disposals</b>	<b>Cash Received Actual</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
COMPUTER SOFTWARE	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
<b>TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**44.3 Movement for 2011/12**

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**45 Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31  
MARCH 2013**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>2 836 591</b>	<b>(786 542)</b>	<b>217</b>	<b>1 727</b>	<b>2 048 539</b>
Dwellings	294 194	(31 598)	-	927	261 669
Non-residential buildings	2 229 225	(442 412)	217	800	1 786 230
Other fixed structures	313 172	(312 532)	-	-	640
<b>HERITAGE ASSETS</b>	<b>-</b>	<b>85 659</b>	<b>-</b>	<b>-</b>	<b>85 659</b>
Heritage assets	-	85 659	-	-	85 659
<b>LAND AND SUBSOIL ASSETS</b>	<b>214 023</b>	<b>(7 410)</b>	<b>-</b>	<b>-</b>	<b>206 613</b>
Land	214 023	(7 410)	-	-	206 613
Mineral and similar non- regenerative resources	-	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>3 050 614</b>	<b>(708 294)</b>	<b>217</b>	<b>1 727</b>	<b>2 340 810</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**45.1 Additions**

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>1 834</b>	<b>217</b>	<b>(1 834)</b>	<b>-</b>	<b>217</b>
Dwellings	1 834	-	(1 834)	-	-
Non-residential buildings	-	217	-	-	217
Other fixed structures					
<b>HERITAGE ASSETS</b>					
Heritage assets					
<b>LAND AND SUBSOIL ASSETS</b>					
Land					
Mineral and similar non-regenerative resources					
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 834</b>	<b>217</b>	<b>(1 834)</b>	<b>-</b>	<b>217</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**45.2 Disposals**

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31  
MARCH 2013**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>773</b>	<b>953</b>	<b>1 727</b>	<b>216</b>
Dwellings	773	154	927	216
Non-residential buildings	-	800	800	-
Other fixed structures	-	-	-	-
<b>HERITAGE ASSETS</b>	-	-	-	-
Heritage assets	-	-	-	-
<b>LAND AND SUBSOIL ASSETS</b>	-	-	-	-
Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>773</b>	<b>954</b>	<b>1 727</b>	<b>216</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**45.3 Movement for 2011/12**

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>2 577 712</b>	<b>312 510</b>	<b>53 631</b>	<b>2 836 591</b>
Dwellings	323 313	-	29 119	294 194
Non-residential buildings	2 253 737	-	24 512	2 229 225
Other fixed structures	662	312 510	-	313 172
<b>HERITAGE ASSETS</b>				
Heritage assets				
<b>LAND AND SUBSOIL ASSETS</b>	<b>117 056</b>	<b>96 967</b>	<b>-</b>	<b>214 023</b>
Land	117 056	96 967	-	214 023
Mineral and similar non-regenerative resources	-	-	-	-
<b>TOTAL IMMOVABLE TANGIBLE ASSETS</b>	<b>2 694 768</b>	<b>409 477</b>	<b>53 631</b>	<b>3 050 614</b>

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

45.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2013

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	2 608	70	80	2 758
	<b>2 608</b>	<b>70</b>	<b>80</b>	<b>2 758</b>

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2012

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	279	-	-	279
	<b>279</b>	<b>-</b>	<b>-</b>	<b>279</b>

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**VOTE**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2013*

**45.5 Immovable assets written off**

	<b>Buildings and other fixed structures R'000</b>	<b>Heritage assets R'000</b>	<b>Land and subsoil assets R'000</b>	<b>Total R'000</b>
<b>IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2013</b>				
Assets written off	-	-	-	-
<b>TOTAL IMMOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2012</b>				
Assets written off	-	-	-	-
<b>TOTAL IMMOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**46 Transfer of functions  
46.1 Statement of Financial Position**

<i>Note</i>	<b>Bal per dept2011/12 AFS before transfer 2011/12 R'000</b>	<b>Functions per dept (transferred) / received 2011/12 R'000</b>	<b>Functions per dept (transferred) / received 2011/12 R'000</b>	<b>Functions per dept (transferred) / received 2011/12 R'000</b>	<b>2011/12Bal after transfer 2011/12 R'000</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Unauthorised expenditure					
Fruitless and wasteful expenditure					
Cash and cash equivalents					
Other financial assets					
Prepayments and advances					
Receivables					
Loans					
Aid assistance receivable					
<b>Non-Current Assets</b>					
Investments					
Loans					
Other financial assets					
<b>TOTAL ASSETS</b>					
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Voted funds to be surrendered to the Revenue Fund					
Departmental revenue and NRF Receipts to					

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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be surrendered to the Revenue Fund				
Direct Exchequer receipts to be surrendered to the Revenue Fund				
Bank Overdraft				
Payables				
Aid assistance repayable				
Aid assistance unutilised				
<b>Non-Current Liabilities</b>				
Payables				
<b>TOTAL LIABILITIES</b>				
<b>NET ASSETS</b>				

**46.2 Disclosure Notes**

<i>Note</i>	<b>Bal per dept2011/12 AFS before transfer 2011/12 R'000</b>	<b>Functions per dept (transferred) / received 2011/12 R'000</b>	<b>Functions per dept (transferred) / received 2011/12 R'000</b>	<b>Functions per dept (transferred) / received 2011/12 R'000</b>	<b>2011/12Bal after transfer 2011/12 R'000</b>
Contingent liabilities					
Contingent assets					
Commitments					
Accruals					
Employee benefits					
Lease commitments – Operating lease					
Lease commitments – Finance lease					

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Lease commitments – Operating lease  
revenue  
Receivables for Departmental revenue  
Irregular expenditure  
Fruitless and wasteful expenditure  
Impairment and other provisions  
Movable tangible capital assets  
Immovable tangible capital assets  
Intangible capital assets

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*Provide a description of actions taken to ensure compliance with the PFMA S42*

*Indicate whether there was an agreement drawn up, and provide a description of roles, responsibilities and accountability arrangements.*

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**47 STATEMENT OF CONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2011/12	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under/(overspending)	% of available funds spent by dept	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000			R'000	R'000
Devolution of property grant	35 399	1 196	-	-	36 595	36 595	32 801	3 794	90%	34 478	28 059
EPWP Incentive grant	6 874	-	-	-	6 874	6 900	3 180	3 720	46%	2 043	2 205
	42 273	1 196			43 469	43 495	35 981	7 514		36 521	30 264

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**48 STATEMENT OF UNCONDITIONAL GRANTS RECEIVED**

NAME OF DEPARTMENT	GRANT ALLOCATION					Spent			2011/12	
	Amount	Roll Overs	DORA adjustments	Adjustments	Total Available	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Total available	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**49 STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES**

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000

**50 STATEMENT OF UNCONDITIONAL GRANTS PAID TO THE PROVINCES**

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER		SPENT			2011/12
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Department	Amount spent by Department	% of available funds spent by Department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**51 STATEMENT OF CONDITIONAL/UNCONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Capricorn District	21 199	-	-	(3 800)	17 399	16 492	-
Sekhukhune District	1 000	1 807	-	-	2 807	3 135	-
Mopani	6 500	5 970	-	-	12 470	9 406	-
Vhembe	1 700	-	-	(500)	1 200	1 049	-
Waterberg	5 000	-	-	(2 281)	2 719	2 719	-
<b>Total</b>	<b>35 399</b>	<b>7 777</b>	<b>-</b>	<b>(6 581)</b>	<b>36 595</b>	<b>32 801</b>	<b>-</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Capricorn District	21 199	-	(3 800)	17 399	16 492	-	-	-	-	-	18 824
Sekhukhune District	1 000	1 807	-	2 807	3 135	-	-	-	-	-	1 500
Mopani	6 500	5 970	-	12 470	9 406	-	-	-	-	-	7 000
Vhembe	1 700	-	(500)	1 200	1 049	-	-	-	-	-	2 054
Waterberg	5 000	-	(2 281)	2 719	2 719	-	-	-	-	-	5 000
<b>Total</b>	<b>35 399</b>	<b>7 777</b>	<b>(6 581)</b>	<b>36 595</b>	<b>32 801</b>	<b>-</b>	<b>-</b>				<b>34 478</b>

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**VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
*for the year ended 31 March 2013*

**ANNEXURE 1B**  
**STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2011/12
	Amount	Roll Over	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
<b>Vehicles and Licences</b>										
Capricorn District	117			117	83	71%	-	-	-	-
Sekhukhune	35	-	-	35	31	89%	-	-	-	-
Mopani District	30	-	-	30	21	70%	-	-	-	-
Vhembe District	50	-	-	50	48	96%	-	-	-	-
Waterberg District	65			65	44	68%	-	-	-	-
<b>Municipal Rates and Taxes</b>										
Capricorn District	7 211	-	-	7 211	1 809	25%	-	-	-	2 469
Sekhukhune	2 700	-	-	2 700	2 435	90%	-	-	-	2 352
Mopani District	1 365	-	-	1 365	1 034	76%	-	-	-	3 932
Vhembe District	1 057	-	-	1 057	987	93%	-	-	-	1 232
Waterberg District	1 525	-	-	1 525	278	18%	-	-	-	1 690
<b>Total</b>	<b>14 155</b>			<b>14 155</b>	<b>6 770</b>					<b>11 675</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000

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**ANNEXURE 1D  
STATEMENT OF TRANSFERS TO UNIVERSITIES AND TECHNIKONS**

UNIVERSITY/TECHNIKON	TRANSFER ALLOCATION				TRANSFER			2011/12
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1E  
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2011/12
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
Transfers									
Subsidies									
<b>Total</b>									
<b>Private Enterprises</b>									
Transfers									
Subsidies									
<b>Total</b>									
<b>TOTAL</b>									

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1F**  
**STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
<b>Subsidies</b>							
<b>Total</b>							

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**ANNEXURE 1G  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Subsidies							
Total							

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
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**ANNEXURE 1H**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2011/12
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Actual expenditure</b>							
Injury on duty	150	-	-	150	109	73%	200
Leave gratuity	2 350	-	3 000	5 350	5 697	106%	3 915
Claims against the state	600	-	-	600	830	138%	400
Post-retirement benefits	-	-	-	-	-	-	785
Bursaries to non-employees	-	-	-	-	4 167	-	-
<b>Subsidies</b>	-	-	-	-	-	-	-
<b>Total</b>	<b>3 100</b>	<b>-</b>	<b>3 000</b>	<b>6 100</b>	<b>10 803</b>	<b>-</b>	<b>5 300</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 11  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in cash			
Subtotal			
Received in kind			
Subtotal			
<b>TOTAL</b>			

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1J  
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDI- TURE R'000	CLOSING BALANCE R'000
Received in cash					
Subtotal					
Received in kind					
Subtotal					
<b>TOTAL</b>					

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1K  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT  
OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2012/13	2011/12
	R'000	R'000
Paid in cash		
Subtotal		
Made in kind		
Subtotal		
Remissions, refunds, and payments made as an act of grace		
Subtotal		
TOTAL		

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1L  
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT**

	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Total
<b>Grant Type</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>						
Devolution of property grant	-	-	-	-	-	4 328	14 920	8 820	1 329	48	408	2 948	32 801
EPWP incentives	-	207	210	228	247	201	184	215	445	216	447	580	3 180
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>207</b>	<b>210</b>	<b>228</b>	<b>247</b>	<b>4 529</b>	<b>15 104</b>	<b>9 035</b>	<b>1 774</b>	<b>264</b>	<b>855</b>	<b>3 528</b>	<b>35 981</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2A  
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES**

Name of Public Entity	State Entity's PFMA Schedule type (state yearend if not 31 March)	% Held 12/1 3	% Held 11/1 2	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed Yes/No
				2012/1 3	2011/1 2	2012/1 3	2011/1 2	2012/1 3	2011/1 2	2012/1 3	2011/1 2	
National/Provincia I Public Entity												
<b>Subtotal</b>												
<b>Other</b>												
<b>Subtotal</b>												
<b>TOTAL</b>												

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2B  
STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)**

Name of Public Entity	Nature of business	Cost of investment R'000		Net Asset value of Investment R'000		Amounts owing to Entities R'000		Amounts owing by Entities R'000	
		2012/13	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12
<b>Controlled entities</b>									
<b>Subtotal</b>									
<b>Non-controlled entities</b>									
<b>Associates</b>									
<b>Subtotal</b>									
<b>Joint Ventures</b>									
<b>Subtotal</b>									
<b>Other non-controlled entities</b>									
<b>Subtotal</b>									
<b>TOTAL</b>									

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000

Motor vehicles

**Subtotal**

Housing

**Subtotal**

Other

**Subtotal**

**TOTAL**

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**ANNEXURE 3A (continued)**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – FOREIGN**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	<b>Subtotal Housing</b>								
NP Development Standard Unique Finance	Housing	-	83	-	-		83	-	-
	Housing	-	35	-	35		-	-	-
	Housing	-	7	-	7		-	-	-
	<b>Subtotal</b>	<b>-</b>	<b>125</b>		<b>42</b>		<b>83</b>	<b>-</b>	<b>-</b>
	Other								
	<b>Subtotal</b>								
	<b>Total</b>	<b>-</b>	<b>125</b>		<b>42</b>		<b>83</b>	<b>-</b>	<b>-</b>

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

Mawasha construction/MEC for LDPW and Premier of Limpopo	4,192	-	-	-	4,192
Cession agreement	261	-	-	261	-
Professional fees (Sazi Engineering)	690	-	-	-	690
FAIAUD Transport Services (legal costs)	-	-	-	41	-
		41			
Munmah Consulting (professional service not paid)	-	-	2,704	2,704	-
<b>Subtotal</b>	<b>24 980</b>	<b>2 745</b>	<b>5 028</b>	<b>-</b>	<b>22 697</b>
<b>Environmental Liability</b>					
<b>Subtotal</b>					
<b>Subtotal</b>					
<b>Other</b>					
<b>Subtotal</b>					
<b>TOTAL</b>	<b>24 980</b>	<b>2 745</b>	<b>5 028</b>	<b>-</b>	<b>22 697</b>

(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013

ANNEXURE 3B (continued)

Nature of Liabilities recoverable	Opening Balance  1 April 2012 R'000	Details of Liability and Recoverabili ty	Movement during year R'000	Closing Balance 31 March 2013 R'000
Total	<hr/> <hr/>			

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**ANNEXURE 4  
CLAIMES RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
NDPW	-	1	-	-	-	1
State attorneys	-	-	-	-	-	-
Department of Education	-	16	-	-	-	16
Provincial Department of Public Works Mpumalanga	-	3	-	-	-	3
Provincial Department of Health Mpumalanga	-	-	-	-	-	-
Department Sport, Arts and Culture	2 705	-	-	-	2 705	-
Department of Health Affairs	7	-	-	-	7	-
Department of Water Affairs	11	-	-	-	11	-
	<b>2 723</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>2 723</b>	<b>20</b>
<b>Other Government Entities</b>						
<b>TOTAL</b>	<b>2 723</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>2 723</b>	<b>20</b>

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**ANNEXURE 5  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Department Sport, Arts and Culture	2 705					
Department of Health Affairs	7					
Department of Water Affairs	11					
	<b>2 723</b>		-	-	-	-
<b>Non-current</b>						
<b>Subtotal</b>						
<b>Total</b>	<b>2 723</b>		-	-	-	-
<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
<b>Subtotal</b>						
<b>Non-current</b>						
<b>Subtotal</b>						
<b>Total</b>						

**ANNEXURE 6**

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2013**

**INVENTORY**

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R'000		R'000
Opening balance		4 596	14 538	4 504	17 939
Add/(Less): Adjustments to prior year balance		(1 095)	2 091	409	20
Add: Additions/Purchases - Cash		43	5 126	679	8 700
Add: Additions - Non-cash		17	906	36	1 336
(Less): Disposals		(13)	(674)	(620)	(85)
(Less): Issues		(139)	(7 896)	(412)	(13 372)
Add/(Less): Adjustments		42	2 301	-	-
<b>Closing balance</b>		<b>3 451</b>	<b>16 392</b>	<b>4 596</b>	<b>14 538</b>

**ANNEXURE 7**  
**Movement in Capital Work-in-progress**

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2013**

	<b>Opening balance</b>	<b>Current Year Capital WIP</b>	<b>Completed Assets</b>	<b>Closing balance</b>
<b>HERITAGE ASSETS</b>				
Heritage assets				
<b>MACHINERY AND EQUIPMENT</b>				
Transport assets				
Computer equipment				
Furniture and office equipment				
Other machinery and equipment				
<b>SPECIALISED MILITARY ASSETS</b>				
Specialized military assets				
<b>BIOLOGICAL ASSETS</b>				
Biological assets				

-

**ANNEXURE 7**

**Movement in Capital Work-in-progress**

**MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2013**

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>6 206</b>	<b>1 834</b>		<b>8 040</b>
Dwellings	6 206		1	8 040
Non-residential buildings		834		
Other fixed structures				
<b>LAND AND SUBSOIL ASSETS</b>				
Land				
Mineral and similar non-regenerative resources				
<b>COMPUTER SOFTWARE</b>				
Computer Software				
<b>MASTHEADS AND PUBLISHING TITLES</b>				
Mastheads and publishing titles				
<b>PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS</b>				
Patents, Licenses, Copyright, Brand names, rademarks				

**RECIPES, FORMULAE, PROTOTYPES, DESIGNS,  
MODELS**

Recipes, formulae, prototypes, designs, models

**SERVICES AND OPERATING RIGHTS**

Services and operating rights

<b>6 206</b>		<b>1</b>	<b>8 040</b>
	<b>834</b>		

**TOTAL**

**CONFIRMATION OF THE ACCURACY AND FAIR PRESENTATION OF THE ANNUAL REPORT**

The Accounting Office is responsible for the preparation of the Department's annual financial statements and for the judgements made in this information.

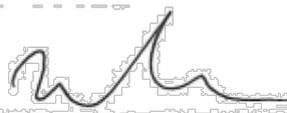
The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements

In my opinion, the financial statements fairly reflects the operations of the Department for the financial year ended 31 March 2013

The external auditors are engaged to express an independent opinion on the AFS of the Department.

The Department of Public Works AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 116.

The Annual Financial Statements of the Department set out on page 116 to page 223 have been approved.

  
Accounting Officer Section 100 (1) (b)  
LDPW

31 May 2013

**To: The Auditor-General RSA**  
**Date: 31 May 2013**  
**CC: Provincial Treasury**

## **ANNUAL REPORT FOR THE 2012/2013 FINANCIAL YEAR END**

I hereby acknowledge that the annual report of the Department of Public Works Limpopo Province have been submitted to the Auditor-General for auditing in terms section 40(1) (c) of the PFMA

I acknowledge my responsibility for the accuracy of the records and the fair presentation of the annual report and confirm, to the best of my knowledge and belief, the following:

### **Annual Financial statements**

- the financial statements have been prepared in accordance with GRAP/ modified cash basis of accounting as prescribed in the National Treasury Framework and relevant guidelines specified / issued by the National Treasury
- all amounts appearing on the annual report and information in the annual report are consistent with the financial statements submitted to the Auditor-General for audit purposes and;

### **Performance Information**

- The preparation of the Department's performance information and for the judgements made in the information;
- Establishing and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.
- the performance information fairly reflects the operations of the Department for the financial year ended 31 March 2013

## Human Resource Management

- The preparation of the Department's human resource information as prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4);
- The human resource information contained in the respective tables in Part D of the annual report, fairly reflects the information of the Department for the financial year ended 31 March 2013.

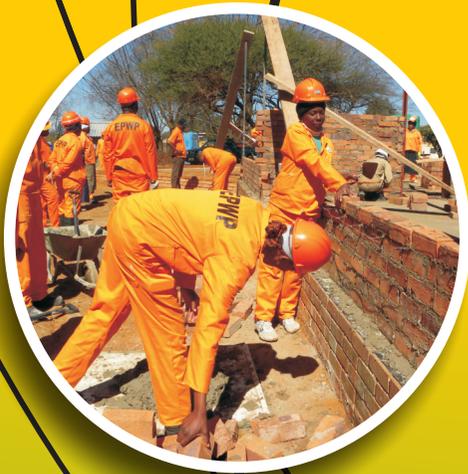
## General

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

## Yours faithfully

  
Accounting Officer Section 100 (1) (b)  
LDPW

31 May 2013



## DEPARTMENT OF PUBLIC WORKS

### Limpopo Province Head Office

43 Church Street  
POLOKWANE  
Private Bag X9490  
POLOKWANE 0700

Tel: (015) 284 7000

Website: <http://www.dpw.limpopo.gov.za>

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