



premier

Department:
Office Of The Premier
PROVINCE OF KWAZULU-NATAL



ANNUAL



REPORT



**OFFICE OF THE PREMIER
PROVINCIAL GOVERNMENT
PROVINCE OF KWAZULU-NATAL**

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**To be the centre of governance,
providing leadership in creating a better life for all**

2010 - 2011

KwaZulu-Natal
Provincial Government

Vote 1:
OFFICE OF THE PREMIER



ANNUAL REPORT
2010/2011

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I. General Information





1.1 SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

I have the pleasure in presenting to you the Annual report for the Office of the Premier for the period 1 April 2010 to 31 March 2011 in terms of the Public Finance and Management Act, 1999.

1.2 INTRODUCTION BY THE DIRECTOR-GENERAL

The Annual Report we are presenting captures the activities of the Office of the Premier during the 2010/11 financial year. The vision of the Office of the Premier is 'To be the centre of governance, providing leadership in creating a better life for all'. This then defines the Office of the Premier as the flagship department in service delivery in the Province. Its programmes serve as a plan of action not only for the Office of the Premier but for the entire province. This resonates with section 125 (1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996 as amended).



*Mr N.V.E Ngidi
Director-General*

The report we are presenting seeks not only to capture the activities of the Office of the Premier during the 2010/2011 financial years but also seeks to demonstrate the role played by the office as it lives its Vision Statement and delivers on its Constitutional mandate.

All categories of staff have played their role in order to achieve our strategic goals as outlined by the Premier in his State of the Province Address.

- Rural Development and Agrarian Reform
- Creating decent work and economic growth
- Fighting against crime
- Education
- Health, and
- National-building and good governance

The structure of the Office of the Premier has been re-configured to reflect the following key strategic functions and responsibilities:

- Provincial Planning Coordination
- Integrity Management
- Operations Management
- Macro Policy and Governance
- Institutional Development and Support
- Special non-core programmes and services



Programmes

The programme structure of the Office of the Premier is:

- Administration
- Institutional Development
- Policy and Governance.



The total budget for the Office of the Premier for the 2010/2011 financial year was R451 361 million. An overview of the programme structure is presented below.

PROGRAMME 1: ADMINISTRATION

The purpose of this Programme is to provide administrative, operational and strategic support to the Director-General by creating an enabling environment to execute the duties as Head of Administration in the Office of the Premier.

Premier's Support Sub-Programme is responsible to provide technical, administrative and advisory support to the Premier in executing the Premier's constitutional mandates.

Executive Council Support / Cabinet Office Sub-Programme is tasked to provide technical administrative, and advisory support to the Provincial Executive Council, Clusters and key Provincial Committees.

Director-General Support Sub-Programme provides administrative support to the Director-General in strategically managing the province.

Financial Management / Chief Financial Officer Sub-programme. The purpose is to provide efficient and effective financial management services to the Office of the Premier. It also provides financial support services to the Accounting Officer and to provide a financial management service to the Office of the Premier.

This sub-programme is charged with the responsibility for the main budget aggregates to the Provincial Treasury and the department, reflecting spending trends within the Medium Term Expenditure Framework. In addition the Sub-Programme is also charged with implementing financial and accounting policies and controls driven by strategic goals and objectives of the department in order to formulate the budget.

Security and Protocol Services: To manage security matters and provide protocol services for the Office of the Premier.

Programme Support: To provide administrative and management support to the Office of the Director-General

PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

This programme comprises of the following sub-programmes: Strategic Human Resources Management, Provincial Public Service Training Academy, State Law Advisory, Information Technology and Integrity Management.

Its mandate is to coordinate the transformation of the public service and provide institutional development and support to the KwaZulu-Natal Provincial government in human resource management and development; state law advisory services; and information communication technology.

Strategic Human Resources Management

The purpose of this sub-programme is to coordinate and promote strategic Resource Management Services within the Provincial Government and the Office of the Premier.



Provincial Public Service Training Academy

The purpose of this sub-programme is to facilitate, coordinate and integrate human resource development in the province and provincial administration. It also develops the capacity of public servants through the delivery of generic, transversal, leadership and management development training programmes.

State Law Advisory Services

Its mandate is to provide a comprehensive and professional internal legal advisory service to the Office of the Premier and to provide a comprehensive, professional, inter-departmental, transversal state law advisory service to the respective provincial line function departments protecting the interests of the entire Province.

Information Technology

The programme was established to coordinate provincial Government Information and communication technology in the province.

Integrity Management

Its mandate is to enhance ethical measures and promote integrity values to reduce incidences of fraud and corruption in the management of the provincial government.

Provincial Government Communication:

Its mandate is the provision of a coordinated government communication service in the province. It is also tasked with improving and sustaining a positive provincial image as well as implementing the provincial communication strategy. An independent report indicates a large improvement in communicating the work of the provincial government. The report indicates the growing penetration of government messages to the intended target audiences, particularly the rural poor. The provincial tabloid, Simama KZN is playing a vital role in spreading the news about the activities of the provincial government.

PROGRAMME 3: POLICY AND GOVERNANCE

The purpose of this programme is to initiate, develop and monitor implementation of strategies and policy, and to achieve a coordinated approach towards sustainable provincial growth and development.

Macro Policy Development and Coordination:

The purpose is to improve the capacity of KwaZulu-Natal Provincial government in public management, governance and strategic management through provision of training and development, technical policy and strategic advisory and support services, and distribute relevant gathering policy and strategic data and information for Provincial government and policy analysis and coordination.

Provincial Planning Commission:

The purpose is to develop a long term strategic development perspective and vision of the province. It also ensures coherent policy development and planning across the Provincial government.

Monitoring and Evaluation:

Its mandate is to accelerate growth and people centered sustainable development in KwaZulu-Natal, to effect the Government Wide M&E System (GWM&ES) and to ensure the effective implementation of the KZN Integrated Programme of Action using the KZN Regulatory M&E plan to improve governance and accountability



HIV and AIDS:

The operations of HIV and AIDS Unit is anchored on, and responds to, various relevant international and national obligations and documents such as United Nations General Assembly Special Session on HIV and AIDS General Assembly (UNGASS), HIV and AIDS and Sexually Transmitted Infections.

Inter-governmental Relations Unit

It plays a supportive role to the Premier and the Director-General in the execution of Inter-governmental Relations function. Its mandate is to promote inter- and intra-Governmental relations. With regards to Co-operative Governance, the Office of the Premier will continue to promote and strengthen inter-governmental relations between spheres of government through participation in forums such as the President's Coordinating Council, Premier's Coordinating Forum, District Coordinating Forums and Provincial DG's Forum.

Human Rights

Its mandate is to coordinate and facilitate a comprehensive agenda to the promotion and protection of Human Rights (Gender, Disability, Children and Senior Citizens-GDCSC). It further ensures the government translates its constitutional, political and global commitments into measurable and meaningful programmes, thereby promoting and protecting human rights, human dignity, freedom and development for all.

Gaming and Betting

Its mandate is to create and maintain an enabling and regulatory environment for the management of gaming and betting in KwaZulu-Natal.

The Office of the Premier is making progress in transforming the demographics of the bookmaking business in KwaZulu-Natal.

Stakeholder Coordination

Its purpose is to promote the culture of engagement, stakeholder participation and youth development.

Service Delivery Improvement

Its mandate is to promote a culture of good governance and accountability in the Provincial Administration through an integrated service delivery approach.

Special Projects Unit

Its purpose is to plan, facilitate and co-ordinate the Premier's Special and Priority Projects. The overall goals of this unit are African Peer Review Mechanism, Ex-Combatants Project, Flagship Programme, Izimbizo and Moral Regeneration Movement Project.

Heritage

The purpose of this sub-programme is to transform Heritage in KwaZulu-Natal. Heritage is the cornerstone in our efforts to consolidate our identity and achieve social cohesion in the province. There are many events that were organized to commemorate the heroes of the province such as Inkosi Albert Luthuli.



1.3 INFORMATION ON THE MINISTRY



*Dr Z.L. Mkhize
Premier of KwaZulu-Natal*

The Office of the Premier has an important role of “monitoring and co-ordinating service delivery” by the Provincial Government as a whole. There are other key activities performed by the Office of the Premier which includes the following:-

- To facilitate the transformation of the Provincial Administration to be a professional, high performing, responsive, non-sexist and representative Provincial Public Service;
- To provide leadership in the research, development, monitoring and evaluation of human resource management strategies, policies, systems and best practices to enable Provincial Departments to achieve the Provincial priorities
- Reduce vacancy rate in respect of funded vacant posts;
- Enhance employer-employee relations.

The year 2010 placed some exciting challenges for the Office of the Premier but we have been able to fulfill our responsibilities of coordinating and facilitating macro-provincial and transversal issues.

We committed ourselves publicly to build an image of clean governance, inspired by our determination to uproot the menace of fraud and corruption in our government.

The Office of the Premier has started Ombudsman services that conduct the investigations on complaints from the public about poor service delivery, unprofessional attitudes and complaints received from the Presidential hotline and provincial toll-free numbers.

We remain committed to the implementation of the Local Government Turnaround Strategy in this province. All municipalities were supported to develop their own turnaround strategies and to adopt a ten-point plan, which would focus on the most critical aspects to be addressed in each municipality.

At the beginning of this term of office, we stated boldly that this Administration would embark on initiatives to eliminate wasteful expenditure by ensuring that our departments operated as cohesive, integrated and aligned machineries.

Working in silos would be history, we promised. This has been achieved – thanks to the MECs, Heads of Department, Chief Financial Officers as well as all categories of staff for the co-operation and understanding of the need for this new approach.

It is estimated that 35% of people are food insecure in KwaZulu-Natal. This equates to approximately 580 000 households. Agrarian and land reform and comprehensive rural development constitute one powerful strategy for job creation, food security and building our economy to defeat poverty.

The Office of the Premier has successfully co-ordinated a food security programme, One Home, One Garden, which has now been rebranded as Masisukume Sakhe.



The strategy on rural development involves the programme of improving the economic infrastructure including the following: roads, railway, ports, fencing, dipping tanks, pack houses, storage warehouses, electricity, communication networks, water harvesting and irrigation schemes for small farmers. Priority projects are being undertaken in several municipalities including Nkandla, Msinga, Vryheid, uMzimkhulu and several other areas.

We have also focused on the co-ordination of a new strategy to speed up the provision of housing. Human Settlements has constructed over 500 000 housing units to date, but a huge backlog of 900 000 remains. In a recent Presidential Coordinating Committee meeting, it was made abundantly clear that such a backlog would take decades to clear unless a different approach was taken.

Amongst key aspects of the new strategy – is to deal with the issue of the poor alignment between spheres of government and national and provincial departments and municipalities that are central to the delivery of human dwellings; resulting in rescheduling of housing projects, under-expenditure and roll-over funds.

Delays in clearing land ownership issues, provision of bulk infrastructure such as water and sanitation by different departments and municipalities, resulted in an amount of R200-million from the conditional grant being returned to National Treasury as such grants cannot be moved across reprioritized projects.

The approach indicated above of a special technical team will reduce this challenge, though re-organization at national level will assist significantly. Several other challenges were faced by this Department as projects were delayed by the investigations by police. The challenges of incorrect cessions by contractors that created confusion and delays in payment of contractors were resolved and all the delayed housing projects have been resumed.

All the projects delayed in eThekweni have been resumed. Reprioritization has been done for projects in all regions to proceed on schedule.

For the current year large contracts that are due to start are the Cornubia (50 000 units), Vulindlela rural housing (25 000 units), Driefontein (15 000 units), Nyoni (2 700 units), Blaaubosch (under planning) and several others that will be announced in the line function budget speech. These are multi-year projects which together with the rectification projects and the repair of fully or partially destroyed homes damaged by disasters will create 47 000 work opportunities and 15 000 permanent jobs.

Whilst the democratic government has made progress in terms of addressing huge socio-economic inequalities resulting from decades of apartheid, there is a need to accelerate the provision of basic services to our people.

We have to ensure that many of our people especially those living in rural areas have access to water and electricity.

Water and electricity are basic needs for human life. This basically means that in all activities undertaken for socio-economic development water and electricity plays a major role.

Adequate access to infrastructure such as housing, roads and bridges will complete this democracy but on the other hand, the limited access to this infrastructure means that for many people of our country, democracy will remain shallow.



Following the Water Summit held by the Province last year, it has been recorded that the short-term improvement of many water schemes and extension to new areas will require a budget of over R6-billion.

The expansion of the bulk supply needs to ensure that it is not only distant suburbs, but the local communities near the source of water that benefit. That may require over R20-billion in investment. All the 14 Water Services Utilities have no immediate way of generating the resources that are reflected in their plans.

Cabinet *lekgotla* was of a strong view that all these Water Services Authorities must be rationalised into one entity that can manage water resources in an integrated manner.

The provision of electricity has reached 75.9% of households in KwaZulu-Natal. Due to grid limitation and sparse rural settlements the remaining backlog is a challenge. Backlogs are mainly found in uMkhanyakude, uMzinyathi and Sisonke. Eskom planning is far advanced and foresees some communities only possible to reach after 2020 because of resource constraints and the above factors.

This challenge has necessitated a focus on the non-grid energy sources such as solar power, etc and to further encourage independent power producers. We have met with the Minister of Energy to announce what electrification projects will be undertaken in the province.

The provincial government is working together with Eskom to connect “islands” of communities located along the supply routes of Eskom power lines but left without electricity for political reasons in Nqutu, Nongoma and many other places.

Accusing communities of voting for a different party such as unscrupulous councillors in collusion with corrupt employees of Eskom, communities have been left in darkness as punishment. We found this action outrageous, backward and unacceptable.

Whilst we undertake to execute our programmes with energy and determination, we want all the stakeholders to be actively involved in order to strengthen the implementation of various activities that will create the desired outcomes.

We are inviting civil society: labour, business and other different community formations to be part of this multi-faceted strategy which will ultimately bring government services closer to the people faster.

Guided by the Citizens Charter we are determined to ensure that at all times we uphold the dignity of our people by eradicating poverty and all social ills from our communities.

All MECs will continue to act as district champions and have made a firm undertaking to go around the province to ensure government's intervention at ward levels.

We have also revised our integrated plan of service delivery, wherein government officials at provincial and local levels now participate in the provision of government services to the people through the War Rooms.

These War Rooms have been created solely to eliminate government's red tape and ensure speed in the delivery of services.

To add meaning to the concept of a developmental state, we are ensuring the participation of volunteers, youth ambassadors, councilors, traditional leaders, religious leaders and ordinary members of our society.



1.4 MISSION STATEMENT

MISSION STATEMENT

VISION

To be the centre of governance, providing leadership in creating a better life for all.

MISSION

To support the Premier in carrying out Constitutional and Legal mandates.

VALUES

- Integrity
- Professionalism
- Accountability
- Ubuntu

CORE-FUNCTIONS/KEY PERFORMANCE AREAS

- Integrate, co-ordinate and facilitate transversal policies, programs, strategies, plans and systems
- Monitoring and evaluation of transversal programs
- Macro-planning and Policy development
- Provide strategic leadership and direction for provincial government
- Oversee the development and implementation of legislation
- Promote and Inter-Governmental Relations and good governance.



1.5 LEGISLATIVE MANDATE

The mandates of the Office in its supportive role to the Premier are embodied in the country's Constitution, Public Service Act and other statutory provisions, National and Provincial policy papers and Cabinet Resolutions. The Office is also the custodian of the body of law applicable in the province.

Some of the legal mandates of the Office of the Premier, with a brief description of what they entail, are as follows:

1.5.1 Constitution of the Republic of South Africa, 1996

The Constitution provides for the Premier exercising the executive authority, together with the Executive Council, in the Province by:

- Heading provincial government;
- Implementing provincial legislation;
- Implementing all national legislation falling within legislative competence of province;
- Administering national legislation falling outside legislative competence assigned to province;
- Developing and implementing provincial policy;
- Co-ordinating functions of the provincial administration and its departments;
- Preparing and initiating provincial legislation; and
- Performing any other function assigned to the provincial executive.

The following functions are assigned to the Premier specifically:

- Assenting to and signing Bills;
- Referring Bill back to legislature for reconsideration of Bill's constitutionality;
- Referring Bill to Constitutional Court for a decision on the Bill's constitutionality;
- Summoning the legislature to an extraordinary sitting to conduct special business;
- Appointing commissions of inquiry; and
- Calling a referendum in the province in accordance with national legislation.

The following mandates are also assigned to the Premier by the Constitution:

- Appointing Members of Executive Council, assigning their powers and functions and dismissing them;
- Transferring functions of Members of the Executive Council; and
- Temporary assignment of a function of a Member of the Executive Council to another.

1.5.2 Public Service Act, 1994 and Public Service Regulations, 2001

The Premier has the following functions in terms of the Public Service Act:

- To establish or abolish a department of the provincial administration;
- To make determinations relating to the assignment, abolishment and transfer of functions of provincial departments; and
- Dealing with the appointment and other career incidents of Heads of Department.



As the executing authority of the Office of the Premier, the Premier must exercise those competencies and duties regarding:

- The internal organization of the department;
- Establishment of the department; and
- Recruitment, appointment, performance management, promotion, transfer and dismissal of officials and employees, which are assigned to him under the Act.

The Director-General has the following responsibilities as Head of the Provincial Administration:

- Secretary to the Executive Council (Provincial Cabinet);
- Inter-governmental relations between departments, other provincial administrations and national government, including co-ordinating conduct and legislation; and
- Giving strategic direction to the Provincial Administration with regard to:
 - Functions and organizational arrangements;
 - Employment, training, human resource management;
 - Salaries and conditions of service;
 - Labour relations;
 - Information management and technology; and
 - Transformation and reform.

1.5.3 Public Finance Management Act, 1999 and Treasury Regulations, 2001

The Premier, as executing authority of the Department, has the following functions in terms of the Public Finance Management Act, 1999:

- Ensuring that execution of statutory functions take place within available funds;
- Exercising control of public entities to ensure that it complies with the Act; and
- Tabling in the provincial legislature:
 - The Annual Financial Statements and Annual Report; and
 - The findings of a disciplinary board in respect of financial misconduct.

The Director-General, as Accounting Officer of the Department, has the following responsibilities and functions:

- When the annual budget is introduced, to submit measurable objectives to the legislature in regard to each main division of vote.
- The Accounting Officer must ensure that the department has and maintains:
 - Systems of financial and risk management and internal control;
 - A system of internal audit under the control and direction of an audit committee;
 - An appropriate procurement system; and
 - A system for evaluating all major capital projects prior to a decision on the matter.
- Responsible for the effective, efficient, economical and transparent use of resources of the department.



Must take appropriate steps to –

- Collect all money due to department;
- Prevent unauthorized, irregular, fruitless and wasteful expenditure and losses as a result from criminal conduct;
- Manage available working capital efficiently and economically,
- Responsibility for management of assets and liabilities;
- Budgetary control;
- Reporting responsibilities such as the submission of annual financial statements;
- Submission of required information to Treasury and the Auditor-General such as motivations for expenditure; and
- To draw up an inventory and submit supporting documentation when assets are transferred.

1.5.4 Labour Relations Act, 1995

The Act regulates the relationship between the department as employer and officials as employees and stipulates their respective rights and obligations. In particular, it provides for the collective agreements to be concluded in order to regulate matters such as the conduct of employees.

1.5.5 Basic Conditions of Employment Act, 1997

This Act establishes and makes provision for the regulation of basic conditions of employment in compliance with the obligations of the Republic as a member state of the International Labour Organisation.

1.5.6 Employment Equity Act, 1998

This legislation prohibits unfair discrimination in the workplace, provides for affirmative action, the submission of an Employment Equity Plan (EEP) and progress reports on monitoring the implementation of the EEP.



1.5.7 Skills Development Act, 1998

This Act enjoins the Department to develop a skills development strategy for the department, to implement the strategy and to utilize at least 1% of its payroll for the training and education of its employees with effect from 1 April 2000.

1.5.8 Promotion of Equality and Prevention of Unfair Discrimination Act, 2000

This Act binds the Department and prohibits unfair discrimination by it. It also contains a positive obligation on the Department to promote equality.

1.5.9 Promotion of Administrative Justice Act, 2000

In terms of this Act, all administrative decisions must be taken in accordance with the procedure prescribed in the Act or an equivalent procedure stipulated in another law. It also provides for judicial review of administrative action and remedies if any administrative action is not taken in accordance with the Act.

1.5.10 Promotion of Access to Information Act, 2000

Provides for access to any information held by the state or any information held by another person and that is required for the exercise or protection of any rights. It further provides for the procedure whereby information may be requested.

1.5.11 KwaZulu-Natal Commissions Act, 1999

This Act provides the framework for the appointment of Commissions of Inquiry by the Premier and the functioning of such commissions.



1.5.12 KwaZulu-Natal Gambling Act, 2010

This law provides for the establishment of the KwaZulu-Natal Gambling Board, which is accountable to the Premier, as the Minister responsible for Gambling and Betting in the Province, in the licensing and regulation of gambling activities.

1.5.13 KwaZulu-Natal Heritage Act, 1997

This Act, amongst others, provides for the establishment of AMAFA aKwaZulu-Natali, accountable to the Premier, the objective of which is the conservation, protection and administration of heritage resources of the Province and which generally promotes and co-ordinates heritage conservation for the benefit of present and future generations.

1.5.14 National Youth Commission Act, 1996

Section 7A of the Act provides that the Premier, as the Minister responsible for youth matters, be consulted on procedures and programmes to promote and maintain a sound working relationship between the Commission and the Province.

1.5.15 KwaZulu-Natal Youth Commission Act, 1999

This Act mandates the Premier to:

- Appoint the members of the KwaZulu-Natal Youth Commission in accordance with the procedure stipulated therein;
- Provide the Commission with such secretarial, administrative and other support as he may deem necessary;
- Designate an official in the Provincial Administration as the accounting officer of the Commission;
- Establish a youth development and empowerment fund;
- Make rules which shall govern the control of the Fund; and
- Make grants, with the approval of Cabinet, to the Commission for purposes of the integrated youth policy.

1.5.16 Electronic Communications and Transactions Act, 2002

In terms of section 28 of this Act, the Department may specify by notice in the Gazette the manner and format wherein data messages must be filed, the type of electronic signatures required, the appropriate control processes and procedures to ensure adequate security and confidentiality of data messages or payments.

1.5.17 State Information Technology Agency Act, 1999

This law regulates the provision and procurement of goods and services relating to information technology in the Public Service.



2. Programme Performance





Voted:	R451 361 000
Responsible Minister:	The Honourable Premier
Administering Department:	Office of the Premier
Accounting Officer:	Director-General: Office of the Premier

Voted Funds

	Main Appropriation (R' 000)	Adjusted Appropriation (R' 000)	Actual Amount Spent (R'000)	Over / Under Expenditure (R' 000)
Office of the Premier	419,284	451,361	423,807	27,554

Expenditure for the 2010/2011 financial year amounted to R423,807 million or 93.8 % of the budget whilst overall savings amounted to R27,554 million.

2.1 Aim of the Vote

The aim of the Vote is to support the Premier in being the centre of government in the Province. In order to fulfil the development, supporting, monitoring and co-ordination roles of transversal issues promoting co-operative good governance, active liaison with Provincial Departments and Provincial Institutions is necessary.

2.2 Key measurable objectives, programmes and achievements

In order to support the broad strategic goals of the Department the key measurable objectives, inter alia, of the Office of the Premier are:

- To co-ordinate, develop and monitor poverty eradication programmes;
- To co-ordinate, develop and monitor transversal HIV and AIDS initiatives;
- Undertake research into HIV and AIDS and poverty, disseminate the information and maintain a database thereof;
- To develop the Provincial Growth and Development Strategy (PGDS) and to facilitate and co-ordinate the implementation and monitoring of the new PGDS;
- To facilitate transformation in the Provincial Administration;
- To capacitate ministries and Departments in policy formulation and analysis;
- To effectively support and capacitate the Director-General in promoting sound co-operative good governance;
- To ensure communication policy relevance within Provincial Departments and to guide compliance;
- To co-ordinate the mainstreaming of Human Rights relating to gender, inequality, disability, children, and youth into government programmes, processes and legislation;
- To customize, co-ordinate and monitor the implementation of human resource policies, systems, plans and programmes for the Province; and
- To maximise revenue to the Province by creating and maintaining an enabling and regulatory environment for the horse racing, gaming and betting industries.



2.3 Summary of programmes

The activities of the Office of the Premier are organised in the following three programmes:

Programme 1	Administration
Programme 2	Institutional Development
Programme 3	Policy and Governance

2.4 Achievements

During the financial year under review, a significant number of achievements were spearheaded by the Office of the Premier:

To facilitate successful hosting of 2010 World Cup

The highlight of 2010/11 included a successful public mobilisation campaign during the 2010 World Cup. The campaign was aimed at ensuring that everybody played a meaningful role, and that communities understood that each and every citizen of this province was the host. The Community Mobilisation Campaign was facilitated through community event activations at schools, churches, shopping centres, taxi ranks, railway stations, beaches and other natural congregation points. International marketing efforts focused on portraying KZN as an attractive destination for tourists and investors alike.

The following were key achievements:

- KZN hosted five countries which established base camps in the province, namely Greece, Nigeria, Algeria, Cameroon and Paraguay;
- Twenty road shows were held for mass 2010 mobilisation;
- United Kingdom (UK), Nigeria, Ghana, Angola, Spain, Argentina, United States of America (USA) and Germany were visited as part of the integrated provincial tourism strategy and to portray a positive image of the province;
- The media and communications strategic plan was finalised and endorsed by the Provincial 2010 Political Oversight Committee; and
- Two road shows were held, as part of community buy-in, to create awareness on the economic benefits presented by the 2010 World Cup to the province





To bring into effect the existence of a functional, user friendly Government Wide Monitoring & Evaluation System for the process for improved service delivery in the Province by 2014

The Provincial Nerve Centre project is the main information management system utilized by the Office of the Premier to provide a complete and comprehensive view of the delivery performance and effectiveness of public sector services.

The Nerve Centre has been developed in phases. The development milestones of Phase 1 of the project were completed in 2009/10 and signed-off. This phase included poverty modelling and a vast range of sector analysis, including the finalised socio-economic stance for KZN, creating a robust poverty watch for the province. Phase 2, which includes a Project Management System (PMS) for the Premier's priority programme, the 'Flagship Programme', was initiated. The process evaluation of the Flagship Programme has been completed and fully functional for the collection of household data and tracking of individual household interventions province wide.

The Programme of Action (Outcomes 1 &2) has been captured on the Nerve Centre; a format to evaluate Heads of Department has been developed as well as the first input screens captured on the Nerve Centre

To position KwaZulu-Natal as a preferred destination

The department was involved in strengthening international relations by promoting KZN as a preferred international destination and development partner. Extensive liaison was carried out, in collaboration with the Provincial 2010 Co-ordination office, to facilitate international interactions during the 2010 World Cup. Five pre-match functions were hosted for international guests, as well as a gala dinner for the diplomatic community, with a view to promoting KZN's trade and investment opportunities.

In line with the provincial international relations strategy, three co-operative arrangements were signed with the following international provinces:

- Queensland in Australia, with the focus on trade and investment, education and training, exchange of agricultural technology, natural disaster management training and exchange programmes, infrastructure development, climate change programmes, and cultural exchange;
- Benguela in Angola, with the focus on co-operative governance and urban development, agriculture and fisheries, economic development, transport, logistics and infrastructure, as well as sport, arts and culture; and
- Guangxi in China, with the focus on economy and trade, tourism, agriculture, education, arts and culture and the maritime field.

To ensure compliance with constitutional obligations on development and protection of human rights

The department is driving a campaign to protect and generate respect for human rights by facilitating a massive education campaign, co-ordinating human rights issues and ensuring compliance with constitutional mandates.

The department works closely with district and local municipalities, municipal wards, civil society structures and all social formations that deal with gender equality, by co-ordinating and arranging capacity sessions on gender and development. Women's commemorative days, such as Women's Day, were observed by the department and the province as a whole in 2010/11. The Provincial Gender Profile will be finalised before the end of 2010/11.



The Office on the Status of Women (OSW) within the Office of the Premier used the Millennium Development Goals (poverty eradication, gender equality, economic development and universal primary education) as an inroad to implement the Beijing Platform for Action, an international instrument with 12 critical areas of intervention on women empowerment. Efforts were made to incorporate provincial priorities and to actively address issues outlined in South Africa's Women Empowerment and Gender Equality Policy Framework, while striving to reflect opinions and requests from a broad spectrum of society.



To ensure effective Public Service transformation

In terms of public service transformation, five policy frameworks were developed and approved for use in provincial departments, namely Remunerative Work outside the Public Service, Transfer and Secondment, 2010 World Cup Soccer, Provincial PERSAL Policy and Acceptance of Gifts Policy. In terms of skills planning, compliance and monitoring, 14 departments submitted their 2010/11 workplace skills plans and 2010/11 annual training reports. The Provincial Public Service Training Academy, hereafter referred to as the Training Academy, compiled a report on priority, critical and scarce skills for the provincial administration, based on the information contained in the workplace skills plan.

The Human Resource Connect project, which is an electronic skills planning system developed by the Department of Public Service and Administration (DPSA), is currently being implemented within 14 provincial departments (excluding the Provincial Legislature and the Royal Household). The first six departments completed the project in February 2010 and the remaining eight departments completed the project in December 2010.

The province employed 617 interns in critical and scarce skills areas during 2010/11. The Training Academy completed the National Skills Fund (NSF) project which involved the training of 597 learners on apprenticeships, learnerships and skills programmes in the manufacturing and engineering, transport and logistics and construction sectors, including the National Youth Service (NYS) programmes.

Research and consultation on Knowledge Management commenced, with interactions with the Centre for Public Service Innovation and DPSA.



To conserve, manage and promote awareness of the Heritage Resources within the province

The department continued its efforts to manage and promote awareness of cultural heritage resources in the province, particularly those which were previously marginalised. To this extent, the following objectives were met:

- Seven family genealogies were completed;
- Four missionaries were researched and Volume 1 of the research was completed;
- Heritage events were held to profile marginalised resources;
- The monitoring of various heritage prescripts was carefully monitored; and
- In addition, the department co-ordinated various events to commemorate 150 years since the arrival of the Indian indentured labourers.
- The Office of the Premier through the Heritage Chief Directorate embarked on the research called KwaZulu-Natal Liberation Heritage Route which will lead to the erection of a shrine at Heroes' Acre Monument at Imbali. Twenty-one chapters of this research have also been completed in the 2010-2011 financial year.



To ensure the maintenance of an enabling and legislative environment for the Gaming, Horse Racing and Betting Industry

The KwaZulu-Natal Gaming and Betting Act No 8 of 2010 were promulgated in the financial year and consultations are taking place on the Regulations of the KZN Gaming and Betting Act. The process of appointing the Board of the KwaZulu-Natal Gaming and Betting Board is in the final processes of completion, despite the fact that the Act has only just been promulgated. A steering committee was formulated between the KZN Gambling Board and the KZN Bookmakers Control Committee to guide and drive the merger with the Chief Directorate: Gaming and Betting as the Secretariat

During the financial year R352,612 million in Revenue was collected – R11,046 million more than the anticipated target in the beginning of the financial year.



To capacitate provincial government departments and municipalities in public policy and strategic management through training and development workshops

Based on its strategic objective in the Annual Performance Plan 2010/2011, the Macro Policy Development and Coordination Unit organized and conducted five (5) training workshops to capacitate provincial government senior officials and managers of the provincial departments. Through the policy training workshops conducted, 156 senior officials were trained during the financial year 2010/2011 in policy and strategic management.

The second strategic objective is to conduct the policy analysis. During the financial year 2010/11 six policy proposals from different Units within the Office of the Premier and different departments were assessed with the view to add value in the policy making process.

To create a coordinated approach in the implementation of a multi-sectoral HIV & AIDS response strategy for the province on a continued basis

- **Functional HIV and AIDS Coordinating structures for the Multi-sectoral HIV and AIDS response.**

The Unit as the secretariat of the Provincial Council on AIDS was able to strengthen the functioning of the Provincial Council on AIDS – the council held all its scheduled meetings chaired by the Premier in the 2010/11 financial year where Members of the Executive Council, Heads of Department, District Mayors and civil society organizations attended and reported. All district AIDS Councils were supported and reported to the Provincial Council on AIDS. 80% of the Local AIDS Councils were launched and are reporting to the District AIDS Councils. Twenty-two Ward AIDS committees were established and four were trained on Basic HIV and AIDS information and developed their ward plans.

- **Monitoring and evaluation of the response**

The unit, through the reports by the District and local AIDS Councils, the Provincial Departments and civil society groups to Provincial Council on AIDS, has been able to monitor the multi-sectoral response in the Province. The process for evaluation of the 2007/11 provincial strategic plans has been started by the Directorate.



- **Behavioural Change Campaign**

The unit has driven a successful behavioural change campaign consisting of over 46 shows working with celebrity groups, HIV and AIDS activist and civil society groups. These shows covered different topics including HIV and AIDS, TB, food security, drug abuse, crime prevention, teenage pregnancy and positive leaving.

- **Flagship Programme Support**

The unit successfully coordinated the Flagship programme from inception.

2.5 Overview of the service delivery environment for 2010/11

The Office of the Premier, as the centre of Provincial Government, is responsible for inter-departmental co-ordination and for providing strategic guidance to departments with regard to provincial policy priorities. Furthermore, the Department is also tasked with the Transversal Monitoring and Evaluation within the Province.

In striving towards clean governance and integrity in public administration, the Office of the Premier has initiated Ombudsman services. It conducts investigations on complaints from the public on poor service delivery, unprofessional attitudes and complaints received from the Presidential Hotline and provincial toll-free numbers. The retired Judge President Vuka Tshabalala has acceded to being the chair for internal disciplinary hearings implicating senior government officials in the Province involving millions of rands.

The inter-governmental arena has been strengthened in the province. Inter-governmental Fora have reached new heights in functionality and execution. For example, the Provincial, District and Local Aids Council is fully operational and integrated into all spheres of governments.

Decisive interventions at local government level led to the invoking of Section 39 of the Constitution of the Republic of South Africa in Msunduzi, Ndaka, Mhlabyalingana and uKhahlamba Municipalities, where municipalities run into serious administrative challenges.

The preparations for the second elections of the 267 Traditional Councils to be held later in 2011 are underway.

The Office of the Premier has played a facilitative role in the implementation of the Local Government Turnaround strategy and the adoption of the Ten-point Plan.

To effect the Medium Term Strategic Framework, National Government has set out the Twelve Outcomes in respect of accountable, measurable performance guiding government programmes towards achieving a Better Life For All. Accordingly, the Office of the Premier has developed key institutional measures to monitor outcome performance using the KZN Integrated Programme of Action.

In 2009 the Provincial Government started a programme of integrating all departments and focus on solving community problems on the ground, starting with areas of abject poverty and making a difference. This approach named the Flagship Project has encompassed the One Home, One Garden, Healthy Communities and Food Security ensuring that families are assisted to register for a comprehensive Package of Government Services. This campaign has been led by the Office of the Premier. This campaign has been re-branded into Operation Sukuma Sakhe. To effect this campaign the policy approach taken by the Office of the Premier has been one of acting as a catalyst bringing together communities and government in a meaningful partnership to build a more cohesive province.



To this end the Office of the Premier, through its new sub-programme of Building stakeholder partnerships, has mainstreamed development initiatives such as the Youth Ambassador Programme which has been initiated through recruiting volunteers who render the service of mobilizing youth towards responsible adulthood. During the period under review 248 youth have been trained whilst 4600 are targeted from the entire Province using a provincial inter-departmental steering committee for recruitment and selection.



By providing enabling structures of intervention, the Office of the Premier has prioritized the afore-mentioned policy options as enunciated above.

In reshaping government's services and knowledge management in the Province, the efforts of the Provincial Training Academy and the Provincial Nerve Centre are noteworthy. Efforts in strengthening capabilities in the Public Sector have been within target.

The Provincial Nerve Centre promotes a further level of accountability by being the repository of government's service delivery information. It provides for a strategic tool for executive decision-making by using evidence-based information.

2.6 Overview of the organisational environment for 2010/11

A directive from National Treasury was given to all Offices of the Premier within South Africa to implement a generic financial structure during the 2007/08 financial year and all future years. The purpose of implementing a generic structure was to provide for a customised, uniform budget and programme structure to facilitate inter-provincial comparability. In line with this directive, generic objectives were developed for programmes and sub-programmes.

The structure of the department consists of three programmes, namely:

Programme One: Administration – contained all the functions providing administrative support to the Premier, Executive Council, and Director-General in fulfilling their legislative and oversight function. This programme consists of the following sub-programmes:

- Premier Support;
- Executive Council Support;
- Director – General Support; and
- Financial Management.

Programme Two: Institutional Development – strived to improve service delivery through institutional capacity building and transformation management. This Programme now consists of the following sub-programmes:



- Strategic Human Resources;
- Information Communication Technology;
- Legal Services; and
- Communication Services.

Programme Three: Policy and Governance – initiates the development and implementation of policies and strategies to achieve a co-ordinated approach towards sustainable provincial growth and development. This Programme consists of the following sub-programmes:

- Special Programmes
- Inter-governmental Relations
- Provincial Policy Management
- Premier's Priority Programmes
- Heritage
- Provincial 2010 Co-ordination

The appointment of the Director General Mr NVE Ngidi in June 2010 heralded stability in the Office of the Premier, with the end of tenure of the former Director General Dr KB Mbanjwa in June 2009. The Chief Financial Officer Mr ZM Cibane was appointed during the financial year under review.

To support administrative reform process in the province, the Office of the Premier has continued focussing on improving the department's capabilities. Furthermore, the Office of the Premier has focussed very deliberately on restructuring the Department to best support transformation. This new approach, of doing things differently, is aimed at achieving better results in the way government departments' programmes are designed, implemented and initiated to achieve goals.

The Department has focussed on creating structures, promoting key policy areas such as governance, integrity management, social mobilisation and long-term planning. In line with this policy approach, the following structures have been introduced to the existing organogram:

- Office of the Ombudsman
- Integrity Management
- Stakeholder Partnership
- Planning Commission

These structures are important for supporting the Department's policy approach to be better prepared for emerging humanitarian challenges, particular with regards to equity, integrity, security and good governance.

2.7 Strategic overview and key policy developments for the 2010/11 financial year

The Office of the Premier is charged with the duty of supporting the Premier in being the Centre of the Government of the Province of KwaZulu-Natal. This requires extensive planning, co-ordination and monitoring. It is the policy of the Office to liaise actively with Provincial Departments and Provincial Institutions to obtain the necessary information and to give guidance and direction to be able to fulfil this responsibility.

Based on its mission and mandates the Department has identified eight strategic goals.



The strategic goals of the Office of the Premier are informed by the general roles and responsibilities of the Provincial Executive. These strategic goals are as follows:

Strategic Goal 1	Provincial Governance, Policy-making and Planning Function
Goal Statement	To realize the existence of a functional provincial governance, policy-making and planning function for the Provincial Government.
Justification	This is a principal executive function and long-term policy-making and planning provide a premise on which long term investments are decided.
Links	This goal is linked to the quest by the new National Administration to establish a "long-term national planning capacity as the principle mechanism for defining long-term frames of reference".
Strategic Goal 2	Governance, policy-development, planning and monitoring and evaluation of provincial government service delivery performance coherence.
Goal Statement	To ensure across provincial administration, functional coherence in governance, policy development, planning and monitoring and evaluation of provincial government service delivery performance.
Justification	The removal of fragmentation in policy-making, planning and monitoring and evaluation of provincial government performance is critical.
Links	This is linked to the quest for a culture of a whole of government approach to governance and service delivery and reduction of wasteful duplication.
Strategic Goal 3	Research and effective strategic management information services.
Goal Statement	To have in existence capacity for research and effective strategic management information system.
Justification	This will meet the needs for evidence-based policy-making and planning and render support to the monitoring and evaluation unit and the whole of provincial government.
Links	This is linked to the capacitation of the provincial government with respect to governance, policy making, planning and results-based management system.
Strategic Goal 4	Institutionalisation of public participation in governance, management of citizens' complaints system and the reduction of fraud and corruption.
Goal Statement	To have in existence an institutionalised Ombudsman Office to promote public participation, operate a citizens' complaints system and to reduce the incidences of fraud and corruption within the provincial government.
Justification	There is a need to deepen democracy, to deal with complaints on service delivery by citizens and to reduce incidences of fraud and corruption.
Links	This goal is linked to electoral mandates, national and provincial government's strategic objectives and priorities.



Strategic Goal 5	Design and Co-ordination services for cross-cutting development programmes.
Goal Statement	To have in place within the centre of government a function for designing and coordinating cross-cutting development programmes.
Justification	The need for co-ordinated cross-cutting development programmes cannot be over-emphasized.
Links	This is linked with the requirements to spearhead catalytic development programmes cutting across sectoral ministries.
Strategic Goal 6	Communication, human resources development, state law advice and service delivery in and by the Provincial Administration services.
Goal Statement	To realise enhanced communication, human resources development, state law advisory services and service to and by the Provincial Government.
Justification	Effective and efficient government communication using all principal modes, the development of human resource and supportive advisory services are critical factors to effective and capacitated governance, and government-citizens relationships.
Links	This is linked to the quest for government compact with citizens and capacitated government.
Strategic Goal 7	Governance conditions conducive to the respect for human rights, the promotion of science and technology, and conservation and management of cultural heritage resources.
Goal Statement	To ensure the existence of governance conditions conducive to the respect for human rights, the promotion of science and technology, and conservation and management of cultural heritage resources.
Justification	The Constitution of the country places high emphasis on the promotion and maintenance of human rights and the development of the province is predicated on a scientifically and technologically trained personnel, and the preservation of cultural and provincial heritage is a critical responsibility of government.
Links	This is linked to the provision of the national Constitution, the electoral mandate of improving the skills base of the country and the country's programme for promotion of culture and preservation of cultural heritages of the peoples of South Africa.
Strategic Goal 8	Regulatory oversight over the gambling, gaming and betting industry and optimization of revenue collection.
Goal Statement	To have effective policy and regulatory oversight over the gambling, gaming and betting industry and ensuring that all revenue to the Provincial Government is duly received.
Justification	The gambling, gaming and betting industry requires restructuring and is an important source of own-revenue for the provincial government.
Links	To the government efforts to restructure important industries and to maximise revenue accruable to government.



These strategic goals are reflective of the role of the Office of the Premier as an oversight function centre of Government in the province. We are fully committed to their attainment with the firm view that their realization will result in a framework that is not only responsive, but more importantly, is also forward looking.

2.8 Departmental revenue and expenditure

Collection of departmental revenue

The revenue received in respect of casino taxes and levies is earned on a set tax on gross gaming revenue of casinos. Casino operators use electronic monitoring systems to monitor turnover, revenue and to calculate taxes payable from all gaming machines and many of the “table games” offered in their casinos. The Gambling Board approves these monitoring systems, which also have to comply with specialized SABS standards. In addition, the KZN Gambling Board monitors the internal controls of all casinos, focusing on the manual counts, in the few instances that this does occur. In view of this the Gambling Board is therefore confident that 100% of all tax on gross gaming revenue is collected.

Casino taxes depicts revenue received in terms of prescribed returns that are submitted on a monthly basis and are collected in accordance with the KwaZulu-Natal Gambling Act, 1996, as amended. A dedicated unit was established within the KwaZulu-Natal Gambling Board to address the issue of illegal gambling operators in 2005/06. As a result of the department’s efforts in this regard, actual revenue collection in respect of Casino taxes reflect a significant increase from 2006/07 onwards.

Horse racing taxes are collected in respect of horse-racing and gaming, in terms of the Racing and Betting Ordinance, 1957. The increase in revenue collection and estimates from 2006/07 onwards is mainly due to the following initiatives, which stimulated demand:

- Consolidation of the national tote, resulting in larger pools and increasing the loyalty of local punters;
- Improved programming and scheduling of racing events;
- Inclusion of sports betting;
- Increased betting on overseas racing; and
- Increased exporting of racing products.

The high revenue collection reflected in 2008/09 is mainly as a result of the increased control measures and monitoring systems implemented by the Gambling Board, and an increase in consumer demand, which is difficult to predict. Further, an amount of R22 million was received from the Bookmakers’ Control Committee in respect of revenue not paid over to the Provincial Revenue Fund by the entity dating back to 1980, which was not included in the original projections. The revenue had to be paid over, as the entity is not listed as a Schedule 3 entity which can retain revenue.

Revenue in the amount of R352,612 million was received by the Department during the 2010/11 financial year resulting in an over-collection of R11,046 million on the revenue budgeted by the Department.

Non-tax revenue comprises mainly recoveries in respect of advertising in the Government Gazette and housing rent recoveries.



Revenue	Actual R'000	Actual R'000	Actual R'000	Estimates R'000	Actual R'000	Percentage %
	2007/08	2008/09	2009/10	2010/11	2010/11	
Tax receipts	283,521	333,013	325,541	340,623	351,441	96.92%
Sale of goods and services other than capital asset	410	333	268	114	228	50.00%
Sales by market establishments						
Interest, dividends and rent on land	7	5	14	9		
Sale of capital assets	28	0	582	0		
Transactions in financial assets and liabilities	69	69	78	375	943	39.77%
Total	284,035	333,420	326,483	341,121	352,612	96.74%

Departmental expenditure

Expenditure for the 2010/2011 financial year amounted to R423,807 million (93,9%) of the budget whilst overall savings amounted to R27,554 million.

Programmes	Voted for 2010/11 (R'000)	Roll-overs and adjustments (R'000)	Virement (R'000)	Total voted (R'000)	Actual Expenditure (R'000)	Variance (R'000)
Programme 1	103,167	1,023	8,277	111,804	101,738	10,066
Programme 2	118,432	–	(20,189)	98,243	95,275	2,968
Programme 3	197,685	4,303	43,629	241,314	226,794	14,520
Total	419,284	5,326	31,717	451,361	423,807	27,554

2.9 Transfer payments

In accordance with Section 38 (1)(j) of the Public Finance Management Act, the Office of the Premier obtained written assurance from institutions to which transfer payments were effected, that effective, efficient and transparent financial management and internal control systems were implemented. For the financial year ending 31 March 2011, transfer payments were effected as tabulated below:

Name of Institution	Amount Transferred	Estimated Expenditure
KZN Gambling Board	R 16,356 million	R 16,356 million
AMAFA aKwaZulu-Natali	R 20,332 million	R 20,332 million
TOTAL	R 36,688 million	R 36,688 million

Transfers to the above entities are made on a quarterly basis during each reporting period and are utilised, together with revenue generated by the entity, to fund the operational expenses incurred by the entities in the performance of their mandated functions. In addition to the submissions in respect of Section 38 (1)(j) above, the entities are required to submit monthly management accounts to the Office of the Premier in order to ensure that the transfer payments are utilised for the purpose for which they were appropriated.



KZN Gambling Board

The KZN Gambling Board is a public entity established in terms of Section 5 of the KwaZulu-Natal Gambling Act, (Act 10 of 1996), as amended.

The main objective of the Board is to ensure that all gambling authorised under the Act is conducted in a manner that promotes the integrity of the gambling industry and does not cause harm to public interest. In addition, the Board promotes the province's objective to develop the gambling industry as a vehicle for the promotion of tourism, employment creation and economic development in KwaZulu-Natal.

The KZN Gambling Board is a listed public entity. In terms of the KZN Gambling Act and section 53 of the Public Finance Management Act, the Accounting Officer of the KZN Gambling Board is responsible for reporting to the executing authority. The Premier is the executing authority responsible for Gambling and the administration of the KZN Gambling Act was transferred to the Premier by proclamation dated 18 March 1999.

AMAFA aKwaZulu-Natali

Amafa aKwaZulu-Natali is a public entity established in terms of the KwaZulu-Natal Heritage Act, 1997. The entity's main objective is to conserve, manage and promote awareness of the province's cultural assets and resources. In terms of section 7(4) of the Act, AMAFA must annually present the Minister with a draft budget and an independent auditors report on the use of funds during the previous year.

2.11 Programme Performance

PROGRAMME 1: ADMINISTRATION

This Programme comprises of four Sub-Programmes:

- Premier Support;
- Executive Council Support;
- Director-General; and
- Financial Management.

Purpose

The purpose of this Programme is to render functions of an administrative and financial nature aimed at providing support to the Premier as Executing Authority, and the Head of the Department in managing the Office of the Premier, by providing departmental corporate services, financial management and auxiliary services.

The strategic objective for Programme 1 is to provide effective and efficient internal support to the Premier, Director-General and Department in fulfilling their legislative and oversight functions and in promoting corporate governance.

Measurable objective

- To provide logistical, administrative and advisory support to the Premier in executing the constitutional mandate and statutory duties;
- To render secretariat support services to the Executive Council, clusters and key provincial committees;
- To provide operational support to the Director-General in strategically managing the province; and
- To provide financial management support and advisory services.



Service Delivery objectives and Indicators

During the 2009/10 and 2010/11 financial years the Premier Support sub-programme was responsible for visits abroad and the hosting of international delegates, in order to promote sustainable economic development and job creation within KwaZulu-Natal as well as market the province on the international platform for the 2010 World Cup.

PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

This Programme comprises of four Sub-Programmes:

- Strategic Human Resources;
- Information Communication Technology;
- Legal Services; and
- Communication Services.

Purpose

The purpose of this programme is to co-ordinate the transformation of the public service in the province by:

- Providing a transversal state law advisory service to the Provincial Government and an internal legal support service to the Office of the Premier
- Providing transversal human resource management systems
- Co-ordinating the holistic development of public servants as well as the citizenry of KwaZulu-Natal in general, and
- Inculcating a culture of citizen-centred service delivery, as well as providing the necessary instrument to monitor progress in this regard
- To provide human resource advice and guidance to the Director-General and provincial department
- Provide strategic information technology management, leadership and support
- The objective of Communication Services is to provide strategic communication leadership and support

Measurable objectives

- To provide strategic direction on human resource management and service delivery;
- To provide strategic information technology management, leadership and support;
- To provide legal and advisory support services; and
- To provide strategic communication leadership and support.

Service delivery objectives and indicators

- 4714 employees capacitated
- 864 learners on learnerships in Departments and 551 Interns placed in departments
- Completion of Build 3, completion of System design and analysis for the Nerve Centre
- Managed to communicate as one Provincial government
- 8 Provincial Laws were submitted for certification.



Service delivery objectives and indicators

Sub-programme / programme: (Strategic Human Resource)				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To Capacitate Provincial HR Practitioners on HRM policy matters as well as Office of the Premier employees in line with the Departmental skills development plan.	Number of Human Resource Practitioners Office of the Premier staff capacitated	2206	1693	<ul style="list-style-type: none"> Reduction in nominations received from departments due to cost cutting measures. Cancelled external courses to curtail the S&T expenditure. Cancellation of courses due to national strike.
Capacitate public servants continuously through workshops	Number of public servants capacitated	6000 employees to be capacitated	4714 employees capacitated	<ul style="list-style-type: none"> Reduction in nominations received from departments due to cost cutting measures. Departments of Human Settlement and Education stopped training and Department of Health limited training due to budget constraints Cancelled external courses to curtail the S&T expenditure. Cancellation of courses due to national strike. Limited number of courses scheduled during July due to World Cup. Training time was reduced to 8 months.
To facilitate the transformation of the Provincial Government to be a professional, high performing, responsive, non-sexist and representative Provincial Public Service.	Number of Human Resource Policies approved by COHOD/ Cabinet in the province	6	4	The Committee of Heads of Department (COHOD) was not meeting as planned to approve policies and been taken out of agenda for the last 5 months of financial year.
Implement National and Provincial skills and human resource development strategies, policies and programmes continuously	Number of Human Resource fora held	26	29	Exceeded the target by three more than planned
Implement national and provincial skills and human resource development strategies, policies and programmes continuously	Number of HRD Capacity building fora and workshops held	8	14 interventions held	



Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Development Provincial human resource development strategies, frameworks, policies, programmes and best practices	Number of policies and strategies developed and approved	3 policies	3 policies	
Implementation of learnerships, apprenticeships and skill programmes	Number of learnerships, apprenticeships, skills programmes and internships implemented	800	864 learners on learner-ships in Departments and 551 interns placed in departments	64 more learners were placed in learnerships and 551 interns placed in departments

Sub-programme / programme: (Information Communication Technology)

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To coordinate Government information technology in the Province on a continuous basis	Number of all hardware and software requirements for the implementation of the BIS by 31 March 2011	Completion of Build 3, completion of System design and analysis	Completion of Build 3, completion of System design and analysis	
	Number of PGITO Council meetings	12 PGITO Council meetings held.	9	
	Rate of use and compliance with ICT Strategic intervention. Level of functional knowledge and use of e- Government and e- Learning	Implement ICT/ e-Governance Strategies	Funding has been identified to move project forward in 2011/12. This is included in the operation plan for 2011/12	
To promote public awareness, appreciation, critical evaluation and understanding of Science, Engineering and Technology [SET] on a continues basis.	Number of campaigns for the promotion of public awareness and appreciation of SET	Implementation of public awareness campaigns	Resource and capacity constraints. Once funds are available, targets will be achieved	Resource and capacity constraints.



Sub-programme / programme: (Legal Services)				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To provide a transversal state law advisory service to the Provincial Government and Administration and an internal legal support service to the Office of the Premier.	<i>Number of Provincial Laws (Bills and Regulations) certified</i>	10	8	Legal editing and certification of Provincial Laws is primarily demand-driven as Provincial Departments submit draft legislation for certification.

Sub-programme / programme: (Communication Services)				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Popularise the Government Programme of Action 2010/2011 and mobilise communities to participate in the implementation of the programme especially in relation to the five priorities in line with the Provincial Communication Strategy	<i>Implementation of Provincial Communication Strategy</i>	Implementation of Provincial Communication Strategy	<ul style="list-style-type: none"> • Provincial Communication Strategy adopted by Cabinet • Managed to communicate as one Provincial government . • Provincial Tabloid and radio slots on SABC radio stations in line with Provincial Media Strategy. 	



PROGRAMME 3: POLICY AND GOVERNANCE

This Programme comprises of four Sub-Programmes:

- Special Projects;
- Inter-Governmental Relations;
- Provincial Policy Management; and
- Premier's Priority Programmes.

Purpose

The purpose of the programme is to initiate the development and implementation of policies and strategies to achieve a co-ordinated approach towards sustainable provincial growth and development.

Measurable objectives

- To co-ordinate and facilitate Human Rights issues;
- To promote inter-governmental relations;
- To co-ordinate and facilitate socio-economic development through the monitoring and evaluation of strategic policy implementation; and
- To promote and facilitate the implementation of identified strategic projects commissioned by the Premier and/or Cabinet.

Service delivery objectives and indicators

- Provincial Gender Machinery quarterly review; Provincial Men's Forum quarterly review; Gender Profile, Children's rights, Office on the Status of Persons with Disabilities (OSPD), Office on the Rights of Older Persons (OROP), Human rights workshops.
- Stakeholder Consultation workshops held
- 60 cases referred and support given to victims
- Two cooperation arrangements have been signed in the financial year. Negotiation has began to renew and sign new cooperation arrangements
- With the 2010 Football World Cup (FWC) and other conference and mission the Inter-governmental Relations (IGR) Unit met its target of promoting the province through the various platforms created
- The HIV and Aids Unit acted as the secretariat for the Provincial Council on AIDS has started the process of developing the new multisectoral PSP 2012-2016.

Sub-programme / programme 1: (Special Programmes)

Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To ensure compliance with Constitutional obligations on development and human rights and to monitor and evaluate the implementation of the Provincial Human Rights Framework annually	Number of approved, relevant, sustainable programmes and projects	Annual review of Provincial Multi-Sectoral Plans for gender equality, disability, women, children and older persons' rights	Status of Children involves direct intervention in respect of child abuse as well as child advocacy programmes <ul style="list-style-type: none"> • 2010 FIFA Child Protection Month – June • Day of the African Child 1 June, International Children's Day 5 June • Home visits to 10 impoverished households in Umlazi 31/12/2010 • Office of Children's Rights & Spousal Office launch of One Child One Fruit Tree School Garden 08/10/2010 • National Children's Day 06/11/2010 • Hibiscus Local Advisory Council for Children Launch 23/11/2010, • Child Protection Day Celebration 09/12/2010, approx 120 cases of Human Rights violations 	



Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
			<p>Office of Status of Women</p> <ul style="list-style-type: none"> Establishment of uMkhanyakude District Municipal Gender Forum 2 June. Umhlabuyalingana Gender Awareness & Empowerment Day 30 April 2010, Pastor's Wives One Home One Garden Workshop Umlalazi 2 June Mother's Day EmaBheleni 9 May, Launch of One Home One Garden Competition Amawoti 10 June Women in marine industry event 15/10/2010, Joint Provincial Gender Machinery & Provincial Men's Forum Strategic Review Meeting 19/10/210, PEPFA Gender & HIV Program Strategic Meeting 26/10/2010, OTP Women's Day Celebration organised 28/10/2010, Launch of 16 Days of Activism 25/11/210, Men's Forum 365 Days Outreach Event 09/12/2010, Women in the Taxi Industry Dialogue 13/12/2010, Women Empowerment Workshop, National Quality of Life Human Rights Presentation, Provincial Gender Machinery review <p>Office of Status of Persons with Disabilities</p> <ul style="list-style-type: none"> 2nd KZN Disability Expo 13/11/2010, Premier's Consultative Meeting with Disability Sector 16/11/2010, Parliament of Persons with Disabilities 02/12/2010, International Day of Persons with Disabilities 03/12/2010 <p>Office of Older Persons: Events</p> <ul style="list-style-type: none"> Future Leaders National Youth Conference & Career Expo 28-30 May, One Home One Garden Summit for People with Disabilities (PWD) 4 June, Senior Citizens' Parliament 29-30/09/2010, International Senior Citizens' Day 01/10/2010, Elonwabeni Senior Citizens' Day 13/10/2010, Ezibambeleni Senior Citizens' Day 17/10/2010, Consultative meeting on establishment of NPO's at Havenside 15/10/2010, National Golden Games 23-28/10/2010, Consultative Meeting with Adams Senior Citizens 04/11/2010, Closing Ceremony 16 Days Campaign for Senior Citizens 26/11/2010, 16 Days of Activism at Nhlazuka 08/12/2010, 16 Days of Activism at The Pietermaritzburg Association for the Aged (PAFTA) 15/12/2010, Senior Citizens Day at Willowfontein 30/12/2010, 	



Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
			<ul style="list-style-type: none"> • Consultative Sessions on Senior Citizens' Abuse, • Provincial Gender Machinery quarterly review; • Provincial Men's Forum quarterly review; • Gender Profile, • Children's rights, • Human rights workshops. • International Women's Day; • Human Rights Day. • OROP) Consult Meeting with Mayibuye Senior Citizens Project, • One Home One Garden Campaign (OHOGC) with Siyazama, Conducting of assessment of Homes 	
To promote and coordinate human rights programmes in the Province.	Functional Human Rights framework in place	Continuous improvements based on effective M&E by 31 March 2011	<ul style="list-style-type: none"> • Stakeholder Consultation workshops held • 60 cases referred 	
	Number of capacitation workshops with municipalities, government departments and communities	7 Workshops held by 31 March 2011	<ul style="list-style-type: none"> • Chief Director: Strategic Planning Session 13-14 May, Joint Spec Prog Meeting 14 June, • 2 × Human Rights Consultative Meetings • 3 × Human Rights Capacity Workshops • 3 × Leaders Community meetings/ workshops • 2 × Assessability Campaign & Disability & HIV Aids Resource Workshops 	
	Number of events per year significant to Human Rights.	8 events on Human Rights held by 31 March 2011	<ul style="list-style-type: none"> • 8 × events relating to Women Disability, Older Persons, Children • Human Trafficking Workshop for Women Refugees • United Nations Population Fund Gender Bases Violence Training (GBV) • Women's Cooperative Bank Launch • 100 cases of Women, Children, Disability and Older Persons' Human Rights issues addressed and referred and finalised with relevant departments • Amakhosi & Ondlunkulu Human Rights Workshops held in Newcastle, and Dundee • Celebration of International Human Rights Day 10/12/2010 	
To ensure a coordinated approach in the implementation of a Multi-Sectoral HIV and AIDS response strategy for the Province.	Number of approved, coordinated, relevant and sustainable programmes and projects	Annual review of the Provincial Multi-Sectoral plan for HIV and AIDS	11 District reports submitted to the Provincial Council on AIDS. The Unit as the secretariat for the Provincial Council on AIDS has started the process of developing the new multisectoral PSP 2012-2016	
	Functional HIV and AIDS Monitoring and Evaluation (M&E) System in place	Continuous improvements based on effective Monitoring and Evaluation by 31 March 2011	Collate and analyse reports from District AIDS Councils and sector. Stakeholders Process for the review of the PSP 2007-2011 started. Continuous monitoring of the multi-sectoral response to HIV done through submission of reports by DAC and LAC	



Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To ensure a regulated gambling, gaming and betting industry.	Number of Gaming and Betting Acts. The publication of regulations under the Gaming and Betting Act.	KwaZulu-Natal Gaming and Betting Act No 8 of 2010 promulgated. Merging of KwaZulu-Natal Gambling Board and KwaZulu Natal Bookmakers Control Committees to form Gaming and Betting Board.	Act was published for general information on 3 February 2011 and was promulgated on 1 April 2011. The Interpretation Act allows the process of appointing the Board to begin after the Act is signed into law and before promulgation. The process for the appointment of the KwaZulu-Natal Gaming and Betting Board is in the final processes of completion, despite the fact that the Act has only just been promulgated. A steering committee was formulated between the KZN Gambling Board and the KZN Bookmakers Control Committee to guide and drive the merger with the Chief Directorate: Gaming and Betting as the Secretariat.	There was insufficient time to complete the process between the publication of the Act on 3/2/2011 and the end of the quarter on 31/3/2011.
		Regulations made under the KwaZulu-Natal Gaming and Betting Act, 2010, published	Draft 4 of the Regulations completed. Consultation with industry stakeholders on Draft 4 of the Regulations has been undertaken and is 70% complete. Work on draft 5 of the Regulations is far advanced.	Consultation process has necessitated that several legal opinions be sought, be analysed and incorporated into and amendments made to the draft regulations, where necessary.
	Percentage change in total revenue collected from gambling operators, year-on-year	Revenue collected R341,566,000	R 352,612 million More money collected than expected during financial year for programme Over by R11,046 million	More money collected than expected during financial year for programme R11,046 million collected over annual target



Sub-programme / programme 2: (Inter-governmental Relations)				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To provide support to the Director-General and Premier with inter-sphere relations and forum (Provincial and National)	Number of coordinates International Relations, Policy processes e.g frameworks, workshops, clusters, speeches, financial input, (MTEF, APP, Annual Report etc) as IGR structures and IGR Relations quarterly and annually	Consolidation of projects with existing partners.	<ul style="list-style-type: none"> • Providing input to policy making processes and reviewing the provincial framework. • Advice and guidance was given to Departments and ministries on demand • Meetings with the Department of Treasury and DIRCO to review and renew the IR strategy and ODA guidelines. Input provided to National Treasury on the National Guidelines for ODA. • The consolidated report of all cooperative arrangements was tabled and presented at the IR Sub-committee meeting and COHOD • Heads of Missions training presentation at DIRCO. Participated in the drafting of the White Paper on Foreign Policy. Tabled consolidation of projects tabled at the Cabinet IR Sub Committee Meeting • Revision of the Provincial Framework in alignment with the National policies. The MTEF, APP, Annual Report and SOP of the unit was submitted within the deadlines to Financial Services • The unit has met its goals for the year by consolidating the projects. Providing input to policy making processes and reviewing the provincial framework 	
Provide Inter-Governmental Relations guidance and advice on dispute resolution and other related IGR matters, annually.	Number of promotion and function of the KwaZulu-Natal Province internationally, in conjunction with role players such as TIKZN, Tourism KZN, Ezemvelo Wildlife and the Provincial 2010 Coordinator annually	Coordination and facilitation of promotional events and enhances economic diplomacy	<ul style="list-style-type: none"> • 5 pre-match functions co-ordinated to promote KZN as the preferred destination for investment and tourism. One function in Pretoria with all ambassadors and international community represented in South Africa, aimed at promoting KZN • The IGR Unit worked closely with the 2010 Co-ordinator Office to facilitate meetings between the Premier and the ambassadors • Coordinated a visit and function with Transnet for Guanxi Province in China. Co-ordinated a function with TIKZN for the EU trade commissioners. Assisted in the coordination of the Water and Energy Summit with COGTA • Participated and facilitated a EU Trade Commission visit whereby the businesses in the province were promoted in conjunction with TIKZN. • In conjunction with Transnet coordinated a dinner with a delegation from Guangxi. • Assisted the DEDT with a trade mission • With the 2010 FWC and other conferences and missions the IGR Unit met its target of promoting the province through the various platforms created. 	



Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide technical and strategic secretariat support to PCF, TPCF, and COHOD as well as involvement in Cabinet clusters and other technical structures, quarterly and annually	Number of functions organised by the Foreign Affairs Office for the province as official liaison, contact point and coordination of visitors to and from the KwaZulu Natal Province.	Coordination and facilitation of visits supporting provincial priorities and economic diplomacy	Incoming: America, visit by Rev Jesse Jackson (April), Visits by Equatorial Guinea (Jun), Denmark (May), France (May) Germany, Queensland Australia. Visit by the Vice President of Cuba. Visit by the Shanghai Port Authority. Visit by the Gaza Government. Met with the British High Commissioners of Uganda, Shanghai, Guangxi. Outgoing: Germany (April), Mexico (May), New York USA, Shanghai, Vienna, Angola, Equatorial Guinea All incoming and outgoing visits were successfully coordinated and facilitated	
Provide research and analytical support to the DG and Premier to effectively co- ordinate IGR, such as the development of briefing notes/ executive summaries and agenda items for national and provincial forums, monthly.	Number of negotiated, concluded and services of provincial cooperation arrangements for KwaZulu Natal	Coordination and facilitation of visits supporting provincial priorities and economic diplomacy	Two cooperation arrangements have been signed in the financial year. Negotiation has began to renew and sign new cooperation arrangements. Visit by the Vice President of Cuba. Incoming visit by the Shanghai Port Authority. Incoming visit by the Gaza Government. Met with the British High Commissioner.	

Sub-programme / programme 3: (Provincial Policy Management)				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
To bring into effect the existence of a functional user-friendly government-wide Monitoring and Evaluation System and processes for improved service delivery in the Province by 2014	Mid- year Review tracking Provincial growth towards 3% economic growth and halving poverty by 2014	1	<ul style="list-style-type: none"> Cost benefit training completed Progress Report on Programme of Action (12 Outcomes) completed and calibrating in line with the National SAM Economic Assessment Report was tabled 12 Outcomes Baseline Report 	
	Number of public sector officials trained in monitoring and evaluation by 2014	250	279 public sector officials capacitated for the financial year	



Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
	Number of Provincial departmental Officials trained on public policy management	156	156 officials trained	
	Number of Provincial M&E fora held annually for information sharing between provincial and local government	4	6 provincial M&E fora held	
	Number of scientific papers presented by staff of the Monitoring and Evaluation Unit (OTP) on M&E, locally, nationally and internationally	1	<ul style="list-style-type: none"> Provincial SAM presented to Premier and adopted Economic Assessment Report was tabled Background report for Disability Parliament compiled 2 papers completed and presented by staff of the Monitoring and Evaluation Unit (OTP) on M&E Proof of concept and business analysis of performance management system completed Social and Economic Departments linked via the Provincial Nerve Centre uploading household profile information Community M&E project initiated in Nkandla 1 Outcomes Based Scientific paper presented and 1 scientific paper on the MDGs 	

Sub-programme / programme 4: (Premier's Priority Programmes)

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Promote public participation through Izimbizo and Public Liaison Officers Forum and Presidential Hotline	Number of President's izimbizo held in the province	2 Presidential Izimbizo	Nil	
	Number of Premier's izimbizo held in the province	2 Premier Izimbizo	1 Premier imbizo	



Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Coordinate activities of the Moral Regeneration Movement in KwaZulu-Natal for purposes of moral renewal	Number of MRM district and Municipality meetings and workshops held	24 activities related to the Moral Regeneration Movement, e.g. Teenage Pregnancy Awareness	1 Activity held - MRM Closing Month in July 2010	
	Number of members of the community who got assistance from help desk	3600	Nil	Responsibility shifted to Presidential Hotline
To promote and facilitate improved service delivery and work ethic through <i>Batho Pele</i> implementation programmes, the Citizen's Charter and SDIPs, etc	Number of Batho Pele fora convened in the Province	4	6	
	Number of unannounced visits	12	One unannounced site visit planned and budgeted for and not the 12 that appears on the document	
	Provincial <i>Batho Pele</i> Learning Network convened	1	1	
To promote good governance and accountability through combat of fraud and corruption in the Provincial Administration.	1. Number of Anti-Corruption Workshops convened.	4	0	
	2. Functional anti-corruption forums	1 Provincial anti corruption Forum by June 2011	Provincial anti-corruption forum established in June 2010	
	3. Hold one provincial integrity conference	Conference to be held in August	Conference to be held in August 2011	
	4. Reduce service delivery complaints backlog from the NACH and Presidential Hotlines by end of financial year	Reduction of service delivery complaints by 50%	Achieved 10% reduction as at 31 March 2011	
	5. Establishment of an up-to-date and accurate provincial database on fraud and corruption and disciplinary actions.	An up-to-date provincial web-based database	Database template already designed and being populated	



Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
	Number of fully functional Religious Groups/Fora in all districts. Frequency of ongoing and effective inter-sphere and intra-religious consultation and co-ordination	1. Shembe Fountain pilgrimage 2. Easter events 3. 2 African religious events 4. 4 KZN Religious leaders fora 5. Religious fora management (government focal persons and pastors' wives) 6. Research and profile formations 7. Provincial prayer day 8. Religious summit / workshop 9. Diwali celebration 10. Religious outreach consolidation 11. Religious heritage Shembe 100 years celebration 12. Religious traditional music 13. Strategic plan sessions	Not done 3 Events held Nomkhubulwane held Only two took place It was done during the preparations for Provincial Prayer Day Nil Done Nil 2 Events held 2 Events held (Apostolic and Roman Catholic) 3 Events Done Done	

Sub-programme / programme 5: (Heritage)

Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Number of acquired clearances in time		1 MMC in place at Moses Mabhida Stadium	This target is misplaced; it falls under the 2007/2008 financial year and was not implemented because this office was waiting for the executive discussion on whether the MMC was going to go to the Cord More Castle in Durban, Yellow Park or the Moses Mabhida Stadium	



Sub-programme / programme 6: (Provincial 2010 Co-ordination)				
Strategic Objective	Measure/ Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Integrated Provincial Tourism and Development Business Plan for 2010 and a positive image of the Province portrayed	Number of countries lobbied for international tourists and investors	Make final hosting preparations for confirmed countries. Successful hosting of participating teams	KZN hosted five countries which established base camps in the province, namely Greece, Nigeria, Algeria, Cameroon and Paraguay	
	Number of media, trade and consumer platforms activated	Implementation of media and communication plan locally and internationally through trade and consumer platform	<ul style="list-style-type: none"> Twenty road shows were held for mass 2010 mobilisation; United Kingdom (UK), Nigeria, Ghana, Angola, Spain, Argentina, United States of America (USA) and Germany were visited as part of the integrated provincial tourism strategy and to portray a positive image of the province; The media and communications strategic plan was finalised and endorsed by the Provincial 2010 Political Oversight Committee Close-out report was submitted to Cabinet on the successful hosting of the 2010 FIFA World Cup Whilst the estimates made by the Minister of Finance are that the impact of the 2010 WC is in the region of R93 billion, our own estimates verified by the Department of Economic Development & Tourism sits at R3 billion. Stadia Development – 7 stadia was earmarked for infrastructural development and subsequently construction was duly completed Roads leading to team base camp as well as R102 corridor constructed to and from the new King Shaka International Airport. 5224 youth trained in various skills Out of this 2836 students deployed in hospitality services, language services, travel and tourism and ICT 2411 students deployed at Moses Mabhida to render services during the tournament Total of 435,734 watched matches in the Provinces' 10 PVAs 	
	Number of road shows held	Community buy-in by creating awareness of the economic benefits to the Province. Awareness campaigns around the Public viewing areas through the road shows	Two road shows were held, as part of community buy-in, to create awareness on the economic benefits presented by the 2010 World Cup to the Province.	





3. Report of the Audit Committee





REPORT OF THE AUDIT & RISK COMMITTEE for the year ended 31 March 2011

The KwaZulu-Natal Provincial Audit & Risk Committee is pleased to present its report for the financial year ended 31 March 2011.

Provincial Audit & Risk Committee Members and Attendance

The Provincial Audit and Risk Committee consist of the members listed hereunder. During the year under review the contracts of two (2) members expired while the contracts of the five (5) other members were terminated by the MEC: Finance. A new Provincial Audit & Risk Committee was appointed with effect from the 01 June 2011.

The Cluster Audit & Risk Committee (CARC) is a sub-committee of the Provincial Audit & Risk Committee (PARC). The CARC and the PARC are required to meet at least four times and two times respectively in a financial year. During the financial year ending 31 March 2011 a total of eleven (11) meetings were held, namely, two (2) PARC meetings, seven (7) CARC meetings and two (2) special meetings. Members attended the meetings as reflected below:

Surname & Initial	PARC		CARC		Special		Total no. of Meetings Attended
	No. of Meetings Held	Attended	No. of Meetings Held	Attended	No. of Meetings Held	Attended	
Adv BS Khuzwayo (Contract expired June 2011)	2	2	7	7	2	1	10
Mr V Naicker (Contract expired – reappointed 01 June 2011)	2	2	2	2	2	1	5
Mr N Mhlongo (Contract terminated December 2010)	2	1	3	3	2	2	6
Mr S Taku (Contract terminated December 2010)	2	2	2	2	2	2	6
Mr P Mnisi (Contract terminated December 2010)	2	2	2	2	2	2	6
Ms P Gobinca (Contract terminated December 2010)	2	2	2	2	2	2	6
Ms E Ogunniyi (Contract terminated December 2010)	2	0	2	1	2	1	2
Ms T Tsautse (Appointed 01 June 2011)	0	0	0	0	0	0	0
Mr T Boltman (Appointed 01 June 2011)	0	0	0	0	0	0	0
Mr F Docrat (Appointed 01 June 2011)	0	0	0	0	0	0	0
Ms N Jaxa (Appointed 01 June 2011)	0	0	0	0	0	0	0
Ms M Mothipe (Appointed 01 June 2011)	0	0	0	0	0	0	0
Mr L Mangquku (Appointed 01 June 2011)	0	0	0	0	0	0	0



Provincial Audit & Risk Committee Responsibility

The Provincial Audit and Risk Committee reports that it complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations, including any other statutory and other regulations. Subsequent to the dissolution of the previous Committee, the new Provincial Audit & Risk Committee resolved all outstanding responsibilities for the financial year.

The Provincial Audit and Risk Committee also reports that it adopted appropriate formal terms of reference as its Provincial Audit and Risk Committee Charter, regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The systems of internal control are the responsibility of the department's management and are designed to provide effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the requirements of the PFMA and the principles of the King Reports (II and III) on Corporate Governance, the Internal Audit Function provides the Provincial Audit and Risk Committee and the departmental management with assurance that the systems of internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Report and Management Letter of the Auditor-General on the Annual Financial Statements, it was noted that the systems of internal control were not effective for the year under review as control deficiencies were detected in the area of Asset Management.

The quality of "In Year Monitoring" and monthly / quarterly reports submitted in terms of the Treasury Regulations and the Division of Revenue Act

The Provincial Audit and Risk Committee through the Internal Audit Function was satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the department during the year under review.

Audit of Performance Information

The monitoring of the department's performance is a key function of the executive management of the department. The Provincial Audit & Risk Committee has no direct line of responsibility over the department's performance. However, the Provincial Audit and Risk Committee is responsible for ensuring, principally through the Internal Audit Function that the systems of performance management, measurement and reporting; as well as the systems of internal control that underpin the performance management framework of the department, remain robust and are reviewed routinely in the internal audit plans.

The Committee has accepted the responsibility of ensuring that adequate reporting on performance information is in line with its mandate and charter.

The Committee reviewed the Internal Audit and Auditor-General reports relating to Performance Information and noted that there were no material deficiencies identified during the reviews.

Internal Audit Function

The Provincial Audit & Risk Committee provides oversight and monitors the activities of the Internal Audit Function. Consequently, the Committee is able to report on the effectiveness and efficiency of the function.



The function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the department and achieves its optimal performance.

Risk Management Function

Risk Management is a proactive discipline that involves scenario planning and that is intended to provide reasonable assurance that the department will achieve its objectives. King III principle 2.2 states that the board, (executive authority in the case of a government department) "should appreciate that strategy, risk, performance and sustainability are inseparable."

Since the approval of the Provincial Risk Management Framework in March 2010, and during the financial year under review, the Committee monitored how the department established the necessary risk management functions, risk policies, and oversight structures. The Committee believes that these interventions will assist the department in complying with the Provincial Risk Management Framework, and the risk management sections of the PFMA.

The Committee noted that the Office of the Premier had a dedicated Risk Management Function but did not have a Risk Management Committee, and hence urged the Department to establish this during the 2011/12 financial year.

The Committee also urged the Department to speed up the slow progress being made in implementing its risk mitigation strategies arising from the three risk assessments as facilitated by Provincial Treasury's Internal Audit Function.

Other Governance Issues

As part of its governance responsibilities, the Committee also monitors the fraud prevention strategies that have been developed and implemented by provincial departments, and these responsibilities include monitoring the implementation of recommendations arising from forensic investigations.

During the period under review, the Committee has noted that the Office of the Premier had 2 completed investigations that were conducted by the Provincial Treasury's Internal Audit Function. The Office of the Premier was urged to implement recommendations arising from these investigations.

Evaluation of Financial Statements

The Provincial Audit and Risk Committee were provided a report by the Internal Audit Function that reflects the results of the review of the annual financial statements. The Provincial Audit and Risk Committee concurs and accepts the Internal Audit report on the above, as well as the Auditor-General's conclusions 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.

Chairperson: Provincial Audit & Risk Committee

Date: 05 August 2011



4. Annual Financial Statements





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REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

Report by the Accounting Officer to the Executive Authority and the Legislature of the Province of KwaZulu-Natal.

1. GENERAL REVIEW OF THE STATE OF FINANCIAL AFFAIRS

The Office of the Premier is committed to transforming the planning, coordination as well as monitoring and evaluation of the Provincial Government's service delivery programmes. The Department continues to refine its processes and during the 2010/11 financial year, the Department adopted an integrated and coordinated approach together with Provincial Departments to address identified gaps in terms of service delivery in the Province. The Office of the Premier finalized the re-alignment of the organizational structure during the year in line with the goals and objectives of the new Premier. The two additional initiatives with respect to the Planning Commission and the Office of the Ombudsman were incorporated in the revised organizational structure of the Department.

Although the organizational re-alignment had an impact on the filling of posts and delayed the commencement of recruitment processes, the key positions of Director-General and Chief Financial Officer were filled during the year and other critical positions were fast tracked towards the latter part of the financial year.

The Department's commitment to adhere to the Provincial Cost Cutting Circular is evident from the savings overall that the Department reflected at the financial year end. In line with the cost cutting measures, the Department curtailed costs by revising policies particularly with respect to subsistence and travel, cell phones and the purchase of capital equipment. The filling of posts was also limited to only key posts in line with the limitations imposed by the Provincial Cost Cutting Circular.

The expenditure for the Office of the Premier amounted to R423,807 million against an appropriated budget of R451,361 million. A total surplus of R27,554 million overall remained at the financial year end, which translates to 6, 1% of the final appropriation. The table below reflects the appropriation of funds and spending against each Programme.

Programme	Budget	Expenditure	Variance
	R'000	R'000	R'000
Programme 1: Administration	111,804	101,738	10,066
Programme 2: Institutional Development	97,920	95,275	2,645
Programme 3: Policy and Governance	241,637	226,794	14,843
Total	451,361	423,807	27,554

The surplus of R10,066 million against Programme 1: Administration is mainly as a result of the limited filling of vacant posts as well as the implementation of cost containment measures in terms of administrative expenditure.

Programme 2: Institutional Development is represented by a surplus of R2,645 million mainly due to cost containment measures imposed on communication-related projects.

The surplus of R14,843 million against Programme 3: Policy and Governance is attributed to the receipt of additional funding late in the financial year in respect of the Heritage project for the 150-year commemoration of the Indian indentured labourers and the erection of various monument tombstones. All the funds that were received could not



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

be fully utilized by the financial year-end due to insufficient time for the required preparation from when the funds were made available. A request to rollover funds amounting to R8 million was made to Provincial Treasury for the continuation of the project in the 2011/12 financial year.

Virement of Funds

At programme level, a virement of funds was applied to Programme 3: Policy and Governance to address the expenditure incurred for Heritage Assets amounting to R323,000 for the erection of monuments. Savings were realised against Programme 2: Institutional Development from cost containment measures imposed on the purchase of Machinery and Equipment.

The savings of R11,593 million realised on Compensation of Employees was mainly as a result of the implementation of the cost containment circular that restricted the filling of posts to only essential posts.

These savings were used mainly to off-set the shortfall reflected against Transfers and Subsidies: Households to cover leave benefits for retirees.

A virement of R325,000 was applied from Machinery and Equipment to cater for Heritage Assets and Software & other intangible assets.

The above virement of funds are in line with Section 43 of the PFMA, as well as Treasury Regulation 6.3.1.

Revenue

The department collected actual revenue of R352,612 million, reflecting a 3.23% over-collection against the revenue budget of R341,566 million.

The majority of the revenue emanated from Casino Taxes, which is attributable mainly to the improved enforcement and surveillance of the operations of casinos in the province and higher consumer activity during the year.

The Horseracing Taxes reflected an over-collection mainly due to conservative budgeting as well as a higher consumer activity during the year.

Whilst overall, there was an over-collection of revenue, the under-recovery against sale of Goods and Services other than capital assets is as a result of the centralisation of the printing of Government Gazettes to the Government Printing Works.

The over-collection against transactions in financial assets and liabilities is mainly due to revenue amounting to R519,560 from ticket sales that emanated from the 2010 FIFA World Cup.

Staff Debts

The Department's staff debts were well managed throughout the year and is constituted by only 0,06% of the total appropriation. An amount of R62,000 of staff debts were irrecoverable and were written off after following all debt management procedures.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

Unauthorised Expenditure

The unauthorised expenditure of R8,042 million emanating from 2009/10 financial year, was approved with funding by the Standing Committee on Public Accounts, (SCOPA) and the Bill was passed by Provincial Legislature during the year. The Department received funds from Provincial Treasury during the year to cover the unauthorised expenditure.

Irregular Expenditure

Irregular expenditure amounting to R18,000 was disclosed in respect of employees who had not declared their additional remunerative work in their financial disclosure forms and therefore had not obtained the necessary approval to do the additional remunerative work.

2010 FIFA World Cup

With respect to the 2010 FIFA World Cup, the Department engaged in several activities, including that of hosting fees and promotion campaigns in the form of road shows. These activities contributed towards the resounding success of the 2010 FIFA World Cup in the Province. The Office of the Premier played a pivotal role during the 2010/11 financial year, in terms of marketing strategies that were rolled out by the 2010 Provincial Co-ordination unit. The Department successfully hosted five countries which established base camps in the Province, namely Greece, Nigeria, Algeria, Cameroon and Paraguay. The allocation of tickets, travel costs and World Cup apparel has been included as a disclosure note in the Annual Financial Statements.

2. SERVICES RENDERED BY THE DEPARTMENT

The Office of the Premier provides a strategic leadership role in the Province in terms of the following:

- To support the Premier as the head of provincial government and the Executive Council and its sub-structures, and ensure Constitutional and legal compliance;
- To co-ordinate provincial policy and planning processes;
- To provide provincial leadership and inter-departmental co-ordination;
- To promote and develop relations with other spheres of government;
- To promote co-operative and good governance;
- To provide transversal support services for human resource management, communications, information technology, legal and macro policy advisory services;
- To promote a culture of human rights consciousness and gender sensitivity across the province; and
- To co-ordinate soccer development in the province and to roll-out the 2010 soccer strategy.

2.1 Tariff policy

The Department does not have a tariff policy in place. Rental charges for official houses are determined in accordance with the PSCBC Resolution No. 3 of 1999.

2.2 Free Services

The Department does not render free services.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

2.3 Inventories

The Department does not hold bulk inventory and has no stores. There was no inventory on hand at the end of the financial year as only consumable inventory was purchased during the year.

3. CAPACITY CONSTRAINTS

As a result of the organisational transformation, the filling of posts was delayed and limited to only key positions due to the limitations imposed by the Provincial Cost Cutting Circular.

In order to address these challenges, The Deputy Director-General: Support was appointed to act in the position of the Director-General whilst the General Manager: Strategic Human Resources was appointed to act in the position of Deputy Director-General for Programme 2: Institutional Development. The Director-General position was however filled during June 2010 and the position of Chief Financial Officer was filled with effect from 1 January 2011.

The Chairperson of The Planning Commission was appointed during the year and 8 Commissioners were appointed during February 2011.

Despite the filling of mainly key positions during 2010/11, the Department will be addressing all vacancies during 2011/12.

The Department also supports and is actively involved in Internship programmes, whereby a selection criteria, is utilized and an interview process is undertaken to appoint interns. The objective of the Programme is to train interns to provide them an opportunity to enter the job market. This is an attractive tool to assist with capacity constraints and recruitment processes as interns are exposed to the work environment for a period of one year.

4. UTILISATION OF DONOR FUNDS

The Masifundisane Adult Literacy Programme, funded by the Department of Labour was completed in 2010/11. A balance of R2,622 million was outstanding at the beginning of the 2010/11 financial year, and expenditure amounting to R2,570 million was incurred during the year. An amount of R5,192 million was received from the Department of Labour during the year. A total of 45 000 learners were trained in communication and numeracy modules.

5. PUBLIC ENTITIES

Transfer payments to Public Entities were effected as indicated below:

INSTITUTION	2010/11	2009/10
	R'000	R'000
KZN Gambling Board	16,356	14,148
AMAFA aKwaZulu-Natali	20,332	32,841
Total	36,688	46,989

KZN Gambling Board

The KZN Gambling Board is a public entity established in terms of Section 5 of the KwaZulu-Natal Gambling Act, (Act 10 of 1996), as amended.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

In terms of the KZN Gambling Act and Section 53 of the Public Finance Management Act, the Accounting Officer of the KZN Gambling Board is responsible for reporting to the Executing Authority. The Premier is the Executing Authority responsible for Gambling and the administration of the KZN Gambling Act was transferred to the Premier by proclamation dated 18 March 1999.

The KZN Gambling Board ensures that all gambling authorised under the Act is conducted in a manner that promotes the integrity of the gambling industry and does not cause harm to public interest. In addition, the Board promotes the province's objective to develop the gambling industry as a vehicle for the promotion of tourism, employment creation and economic development in KwaZulu-Natal.

AMAFA aKwaZulu-Natali

AMAFA aKwaZulu-Natali is a public entity established in terms of the KwaZulu-Natal Heritage Act, 1997.

The entity's main objective is to conserve, manage and promote awareness of the province's cultural assets and resources, while ensuring that cultural heritage management is integrated into economic, social and environmental activities in the province.

In terms of section 7(4) of the Act, AMAFA must annually present to the Minister a draft budget and an independent auditors report on the use of funds during the previous year.

6. OTHER ORGANISATIONS TO WHOM TRANSFER PAYMENTS HAVE BEEN MADE

There were no transfer payments made to other organisations.

7. PUBLIC-PRIVATE PARTNERSHIPS (PPP)

The Department has not entered into any public-private partnerships during the year.

8. CORPORATE GOVERNANCE ARRANGEMENTS

The Department has an executive committee, which meets on a monthly basis to monitor and report back on the performance of each of the department's programmes. This committee also sets and provides the strategic leadership in the Department.

In terms of the structure of the Department, Programme Managers, Sub-Programme Managers and Responsibility Managers are appointed to undertake financial management within their respective areas. Delegations of authority have also been implemented and this ensures that there are adequate controls in terms of accountability and responsibility.

The department has established a new component called Integrity Management Chief Directorate that incorporates the Office of the Ombudsman, the Anti-Fraud and Anti-Corruption unit and a Public Liaison unit. The purpose of the Chief Directorate is to instil an organizational culture of integrity in the Provincial Administration through the co-ordination and facilitation of the implementation and management of the KZN Anti-Fraud and Anti-Corruption Strategy, the management of citizens' complaints on poor service delivery and the co-ordination of the activities of the Provincial Ombudsman. The component will also assist management in terms of risk management and internal controls.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

This Department in conjunction with the Internal Audit unit from Provincial Treasury was involved in a Risk Assessment of all disciplines within the Office of the Premier. Policies have been implemented to assist the Department in the management of its assets, liabilities, revenue, expenditure and human resources.

The Office of the Premier plays a strategic role in terms of Good Governance in the Province. The department has been capacitated to ensure effective Good Governance within the Office of the Premier and has revitalised service delivery within the department to be in line with Batho Pele principles and the Provincial Citizens' Charter. The Employee Wellness and Assistance Programmes were implemented during the year to assist all employees.

The Human Resource directorate is responsible for managing the implementation of the code of conduct across the whole department, and has hosted information sessions for all departmental staff.

All senior managers are required to annually disclose registered interests to the Executing Authority in accordance with the Senior Management Service Handbook. This process is managed by the Human Resources component within the Department. With respect to the appointed Committee Members for the Supply Chain Management process, all members are required to declare their interest upfront during the adjudication of bids.

9. DISCONTINUED ACTIVITIES/ACTIVITIES TO BE DISCONTINUED

The Department did not have any discontinued activities for the 2010/11 financial year.

10. NEW/PROPOSED ACTIVITIES

As a result of new initiatives and policies implemented by National Government, the Office of the Premier, during its organisational reform, had to make provision for new activities such as The Planning Commission and the Office of the Ombudsman. During the year, the Department incorporated these two new initiatives in the revised organizational structure and the recruitment processes commenced in this respect.

The main responsibility of the Planning Commission is to ensure co-ordination, integration and alignment of various departmental and private sector plans.

The Integrity Management Chief Directorate is responsible for fraud prevention, risk management and quality of services and will also respond to the President's Hotline to investigate deviations from expected standard of service and instances of impropriety.

The Department received additional funding to implement the Youth Ambassador Programme whereby youth ambassadors would be appointed and trained to perform profiling of households in rural communities to assist with the research on the needs of these communities in order to fasttrack an integrated service delivery programme by Provincial Government to these communities.

11. ASSET MANAGEMENT

The Department's asset registers have been updated with all additions, transfers and disposals for the 2010/11 financial year. Assets are recorded in the asset register, at total cost of acquisition, on receipt of the item. Assets that have been acquired prior to 1 April 2004 have been included in the asset register at a value of R1 in the event of actual cost not being established. All repairs and maintenance are expensed to Goods and Services. The minimum requirements and asset management reforms and milestones as prescribed in the Asset Management Policy Framework and Practice notes have been complied with.



REPORT OF THE ACCOUNTING OFFICER for the year ended 31 March 2011

12. EVENTS AFTER THE REPORTING DATE

One vacant position of Deputy Director-General was finalized during May 2011.

13. INFORMATION ON PREDETERMINED OBJECTIVES

A Departmental Framework for performance information as a management tool is being used for reporting. An outcome performance information system and processes have been designed to manage critical information from the relevant components in the Department. This information is subjected to an in-depth analysis, in order to ensure that there is alignment to the Annual Performance Plan.

The Department utilizes the Quarterly Performance Reporting Model to report on planned activities that is further guided by the targets in the Annual Performance Plan. The Monitoring & Evaluation unit has created monitoring tools to promote accountability in terms of delivery. This has also enabled the Department to track its performance per functional area and to identify challenges and appropriate interventions and control measures.

Socio-economic information and demographic statistics are used for macro planning utilising the Provincial Nerve Centre. The Nerve Centre managed by the Department is a repository of data sets used by the Department in accomplishing its oversight role in the Province. The Department upgraded the Nerve Centre in terms of software licences during the year to facilitate the analysis of household data and interventions on service delivery programmes.

Further detailed information pertaining to the performance of the Department is reported under Programme Performance of the Annual Report.

14. SCOPA RESOLUTIONS

There are no SCOPA resolutions applicable to Office of the Premier.

15. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Payments not made within 30 days from date of receipt of the invoice	2009/10	The Responsibility Managers were instructed by the Director-General to ensure that all payments are to be made within 30 days and in cases where payments are not made within 30 days a valid reason for non-compliance must be attached to payment vouchers or disciplinary action will be instituted. In addition, Treasury Regulation 8.2.3 was reiterated and communicated to the Responsibility Managers.
No Risk Assessment performed	2009/10	The Risk Assessment was performed during September 2010 for the Office of the Premier by the Internal Audit Unit from Provincial Treasury. An Integrity Management Chief Directorate was incorporated in the revised organizational structure of the Department and the key positions in this unit were prioritised and filled during the year.
Fraudulent transaction	2009/10	A BAS fraudulent transaction was identified during the 2007/08 financial year and was reported to South African Police Services (SAPS). A follow-up was made during May 2011 with the Assets and Forfeiture unit of the SAPS with respect to the status of this case. A response was received that this matter is still under investigation and is currently pending an outcome.



REPORT OF THE ACCOUNTING OFFICER

for the year ended 31 March 2011

16. EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

The National Treasury has exempted the department from complying with certain sections of the Government Immovable Asset Management Act, No. 19 of 2007. In particular the department is exempted from the following:

- The disclosure of building & other fixed structures in the disclosure notes for the tangible assets for the current and prior year.
- The use of fair value to value assets which is referred to in the asset management policy set by the National Treasury.

No conditions apply to these exemptions for the year ended 31 March 2011.

17. OTHER

There are no other material facts or circumstances which may have an effect on the understanding of the state of financial affairs for the Department.

18. APPROVAL

The Annual Financial Statements set out on pages 62 to 105 have been approved by the Accounting Officer.

MR N.V.E NGIDI
DIRECTOR-GENERAL
DATE: 27/05/2011



REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO. 1: OFFICE OF THE PREMIER for the year ended 31 March 2011

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Office of the Premier, which comprise the appropriation statement, the statement of financial position as at 31 March 2011, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information as set out on pages 62 to 95.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of the 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), and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the PFMA, my responsibility is to express an opinion on the financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



REPORT OF THE AUDITOR-GENERAL for the year ended 31 March 2011

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Premier as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matters

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Restatement of corresponding figures

9. As disclosed in note 13 to the financial statements, the corresponding figures for 31 March 2010 have been restated as a result of errors discovered during the 2010-11 year in the financial statements of the Office of the Premier, at, and for the year ended 31 March 2010.

Additional matters

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 96 to 105 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

12. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the Office of the Premier.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 16 to 43 and material non-compliance with laws and regulations applicable to the Office of the Premier.

Predetermined objectives

14. There were no material findings on the annual performance report.

Compliance with laws and regulations

15. There were no findings concerning material non-compliance with laws and regulations applicable to the Office of the Premier.



REPORT OF THE AUDITOR-GENERAL for the year ended 31 March 2011

INTERNAL CONTROL

16. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. There are no significant deficiencies in internal control that resulted in a qualification of the auditor's opinion on the financial statements and/or findings on predetermined objectives and/or material non-compliance with laws and regulations.

OTHER REPORTS

Investigations in progress

17. An investigation into fraudulent payments to a supplier during the prior year is in progress.

Performance audits

18. A performance audit is being 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 findings will be reported on in a separate report.

Auditor-General

Pietermaritzburg
29 July 2011



APPROPRIATION STATEMENT

for the year ended 31 March 2011

Appropriation per programme									
	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	101,983	–	(21)	101,962	92,944	9,018	91%	92,646	90,837
Transfers and subsidies	5,109	–	21	5,130	5,130	–	100%	721	719
Payment for capital assets	4,712	–	–	4,712	3,656	1,056	78%	6,497	6,497
Payment for financial assets	–	–	–	–	8	(8)	–	–	1,806
	111,804	–	–	111,804	101,738	10,066	–	99,864	99,859
2. Institutional Development									
Current payment	94,818	–	(93)	94,725	92,629	2,096	98%	101,317	101,313
Transfers and subsidies	–	–	93	93	93	–	100%	247	246
Payment for capital assets	3,425	–	(323)	3,102	2,533	569	82%	3,759	3,759
Payment for financial assets	–	–	–	–	20	(20)	–	–	3
	98,243	–	(323)	97,920	95,275	2,645	–	105,323	105,321
3. Policy & Governance									
Current payment	203,729	–	(106)	203,623	188,790	14,833	93%	176,210	170,852
Transfers and subsidies	36,688	–	106	36,794	36,794	–	100%	53,251	51,971
Payment for capital assets	897	–	323	1,220	1,176	44	96%	1,070	1,068
Payment for financial assets	–	–	–	–	34	(34)	–	–	32
	241,314	–	323	241,637	226,794	14,843	–	230,531	223,923
Subtotal	451,361	–	–	451,361	423,807	27,554	94%	435,718	429,103
Statutory Appropriation									
Current payment	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	–	–	–	–	–	–	–	–	–
TOTAL	451,361	–	–	451,361	423,807	27,554	94%	435,718	429,103
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				352,612				326,483	
Direct Exchequer receipts				–				–	
NRF receipts				–				–	
Aid Assistance				5,192				38,639	
Actual amounts per Statements of Financial Performance (Total revenue)				809,165				800,840	
Add:									
Aid Assistance					2,570				23,457
Direct exchequer payments									
Prior year unauthorised expenditure approved									
Actual amounts per Statement of Financial Performance Expenditure					426,377				452,560



APPROPRIATION STATEMENT

for the year ended 31 March 2011

Appropriation per economic classification									
	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	124,476	–	(220)	124,256	112,663	11,593	91%	110,701	110,668
Goods and services	276,054	–	–	276,054	261,700	14,354	95%	259,472	252,354
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	–	–
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–	–	4,823	4,823
Departmental agencies and accounts	36,688	–	–	36,688	36,688	–	100%	48,269	46,989
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	30	30
Households	5,109	–	220	5,329	5,329	–	100%	1,097	1,095
Payments for capital assets									
Buildings and other fixed structures	663	–	–	663	–	663	–	3,932	3,932
Machinery and equipment	8,041	–	(325)	7,716	6,714	1,002	87%	7,012	7,009
Heritage assets	–	–	323	323	323	–	100%	373	373
Software and other intangible assets	330	–	2	332	328	4	99%	9	9
Payments for financial assets									
	–	–	–	–	62	(62)	–	–	1,821
TOTAL	451,361	–	–	451,361	423,807	27,554	94%	435,718	429,103

DETAIL PER PROGRAMME 1: ADMINISTRATION

for the year ended 31 March 2011

Appropriation per programme									
Programme per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Premier Support									
Current payment	22,335	–	–	22,335	21,177	1,158	95%	19,455	19,434
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	730	–	(197)	533	139	394	26%	401	401
Payment for financial assets	–	–	–	–	1	(1)	–	–	20
1.2 Executive Council Support									
Current payment	7,896	–	–	7,896	6,785	1,111	86%	9,329	9,329
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	220	–	–	220	158	62	72%	215	215
Payment for financial assets	–	–	–	–	–	–	–	–	–
1.3 Director-General									
Current payment	19,421	–	–	19,421	18,573	848	96%	15,487	13,701
Transfers and subsidies	4,206	–	–	4,206	4,206	–	100%	–	–
Payment for capital assets	196	–	76	272	272	–	100%	159	159
Payment for financial assets	–	–	–	–	–	–	–	–	1,786
1.4 Financial Management									
Current payment	52,331	–	(21)	52,310	46,409	5,901	89%	48,375	48,373
Transfers and subsidies	903	–	21	924	924	–	100%	721	719
Payment for capital assets	3,566	–	121	3,687	3,087	600	84%	5,722	5,722
Payment for financial assets	–	–	–	–	7	(7)	–	–	–
TOTAL	111,804	–	–	111,804	101,738	10,066	91%	99,864	99,859

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	47,860	–	(21)	47,839	43,270	4,569	90%	35,894	35,894
Goods and services	54,123	–	–	54,123	49,674	4,449	92%	56,752	54,963
Financial transactions in assets and liabilities	–	–	–	–	–	–	–	–	–
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	5,109	–	21	5,130	5,130	–	100%	721	719
Payments for capital assets									
Buildings and other fixed structures	663	–	–	663	–	663	–	3,932	3,932
Machinery and equipment	4,049	–	(2)	4,047	3,654	393	90%	2,565	2,565
Software and other intangible assets	–	–	2	2	2	–	100%	–	–
Payments for financial assets	–	–	–	–	8	(8)	–	–	1,786
TOTAL	111,804	–	–	111,804	101,738	10,066	91%	99,864	99,859



DETAIL PER PROGRAMME 2: INSTITUTIONAL DEVELOPMENT
for the year ended 31 March 2011

Appropriation per programme									
	2010/11							2009/10	
Programme 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
1.1 Strategic Human Resource									
Current payment	51,357	–	(86)	51,271	51,183	88	100%	52,760	52,759
Transfers and subsidies	–	–	86	86	86	–	100%	247	246
Payment for capital assets	1,027	–	(307)	720	522	198	73%	799	799
Payment for financial assets	–	–	–	–	20	(20)	–	–	1
1.2 Information Communication Technology									
Current payment	20,493	–	–	20,493	20,175	318	98%	18,678	18,677
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	538	–	307	845	841	4	100%	2,812	2,812
Payment for financial assets	–	–	–	–	–	–	–	–	–
1.3 Legal Services									
Current payment	9,000	–	(7)	8,993	8,480	513	94%	8,763	8,763
Transfers and subsidies	–	–	7	7	7	–	100%	–	–
Payment for capital assets	30	–	–	30	25	5	83%	9	9
Payment for financial assets	–	–	–	–	–	–	–	–	–
1.4 Communication Services									
Current payment	13,968	–	–	13,968	12,791	1,177	92%	21,116	21,114
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	1,830	–	(323)	1,507	1,145	362	76%	139	139
Payment for financial assets	–	–	–	–	–	–	–	–	2
TOTAL	98,243	–	(323)	97,920	95,275	2,645	97%	105,323	105,321

	2010/11							2009/10	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	45,350	–	(93)	45,257	43,171	2,086	95%	48,668	48,668
Goods and services	49,468	–	–	49,468	49,458	10	100%	52,649	52,645
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	–	–
Households	–	–	93	93	93	–	100%	247	247
Payments for capital assets									
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	3,095	–	(323)	2,772	2,207	565	80%	3,750	3,749
Software and other intangible assets	330	–	–	330	326	4	99%	9	9
Payments for financial assets									
	–	–	–	–	20	(20)	–	–	3
TOTAL	98,243	–	(323)	97,920	95,275	2,645	97%	105,323	105,321

DETAIL PER PROGRAMME 3: POLICY & GOVERNANCE

for the year ended 31 March 2011

Appropriation per programme									
Programme per sub-programme	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Special Programmes									
Current payment	70,570	–	(12,187)	58,383	53,659	4,724	92%	41,946	41,946
Transfers and subsidies	16,356	–	106	16,462	16,462	–	100%	–	–
Payment for capital assets	202	–	129	331	331	–	100%	121	121
Payment for financial assets	–	–	–	–	34	(34)	–	–	–
1.2 Intergovernmental Relations									
Current payment	4,531	–	81	4,612	4,611	1	100%	5,073	5,073
Transfers and subsidies	–	–	–	–	–	–	–	129	129
Payment for capital assets	127	–	(110)	17	17	–	100%	66	64
Payment for financial assets	–	–	–	–	–	–	–	–	–
1.3 Provincial Policy Management									
Current payment	17,191	–	11,752	28,943	27,583	1,360	95%	17,359	17,359
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	158	–	242	400	400	–	100%	383	383
Payment for financial assets	–	–	–	–	–	–	–	–	–
1.4 Premier's Priority Programme									
Current payment	23,284	–	248	23,532	23,532	–	100%	26,024	23,949
Transfers and subsidies	–	–	–	–	–	–	–	20,281	19,001
Payment for capital assets	340	–	(271)	69	33	36	48%	63	63
Payment for financial assets	–	–	–	–	–	–	–	–	32
1.5 Heritage									
Current payment	40,524	–	–	40,524	31,787	8,737	78%	28,524	28,524
Transfers and subsidies	20,332	–	–	20,332	20,332	–	100%	32,841	32,841
Payment for capital assets	70	–	323	393	385	8	98%	373	373
Payment for financial assets	–	–	–	–	–	–	–	–	–
1.6 Provincial 2010 Co-ordination									
Current payment	47,629	–	–	47,629	47,618	11	100%	57,284	54,001
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Payment for capital assets	–	–	10	10	10	–	100%	64	64
Payment for financial assets	–	–	–	–	–	–	–	–	–
TOTAL	241,314	–	323	241,637	226,794	14,843	94%	230,531	223,923

Economic Classification	2010/11							2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	31,266	–	(106)	31,160	26,222	4,938	84%	26,139	26,106
Goods and services	172,463	–	–	172,463	162,568	9,895	94%	150,071	144,746
Interest and rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies									
Provinces and municipalities	–	–	–	–	–	–	–	4,823	4,823
Departmental agencies and accounts	36,688	–	–	36,688	36,688	–	100%	48,269	46,989
Public corporations and private enterprises	–	–	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–	30	30
Households	–	–	106	106	106	–	100%	129	129
Payments for capital assets									
Buildings and other fixed structures	–	–	–	–	–	–	–	–	–
Machinery and equipment	897	–	–	897	853	44	95%	697	695
Heritage Assets	–	–	323	323	323	–	100%	373	373
Software and other intangible assets	–	–	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	34	(34)	–	–	32
TOTAL	241,314	–	323	241,637	226,794	14,843	94%	230,531	223,923



NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2011

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

Detail of these transactions can be viewed in note 7 (Transfers and subsidies) and Annexure 1 (A-H) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme

Programme 1	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	111,804	101,738	10,066	9%

The surplus of R10,066 million is mainly attributed to the limited filling of vacant posts during the financial year as well as the implementation of cost cutting measures on administrative costs.

Programme 2:	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Institutional Development	97,920	95,275	2,645	3%

The surplus of R2,645 million is mainly due to the stringent limitations on communication related projects as a result of cost cutting measures.

Programme 3:	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Policy and Governance	241,637	226,794	14,843	6%

The surplus of R14,843 million is attributed to the receipt of additional funding late in the financial year in respect of the Heritage project for the 150 year commemoration of the Indian indentured labourers and erection of various monument tombstones. All the funds that were received could not be fully utilized by the financial year end due to insufficient time for the required preparation from when the funds were made available. An amount of R8 million was requested as a rollover of funds to complete the project. The balance of the funds is mainly due to cost cutting measures and the late commencement of the Youth Ambassador Programme for which funds were also only received in the Adjustments Estimate.



NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2011

4.2 Per Economic Classification

Current Payment	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Compensation of employees	124,256	112,663	11,593	9%
Goods and services	276,054	261,700	14,354	5%

The surplus of R11,593 million against Compensation of Employees is mainly due to the limited filling of vacant posts mainly due to cost cutting measures. The surplus of R14,354 million against Goods and Services is mainly attributed to funds being received during the Adjustment Estimates for Heritage projects that were still in the planning phase in the latter part of the financial year. A rollover of funds amounting to R8 million has been applied for from Provincial Treasury. The balance of the surplus is attributed to cost cutting measures.

Transfers and subsidies	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Departmental agencies and accounts	36,688	36,688	-	0%
Households	5,329	5,329	-	0%

The amount of R36,688 million against Departmental agencies and accounts was in respect of transfer payments to the KZN Gambling Board and AMAFA aKwaZulu-Natali. The amount of R5,329 million was mainly in respect of leave benefit payouts for retirees.

Payments for capital assets	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	663	-	663	100%
Machinery and equipment	7,716	6,714	1,002	13%
Heritage assets	323	323	-	0%
Software and other intangible assets	332	328	4	1%

The surplus funds of R663,000 against Buildings & Fixed Structures is mainly due to the late commencement of office partitioning as well as the construction of toilets. A rollover of funds was applied for with Provincial Treasury in this respect. The surplus funds against Machinery & Equipment, is mainly due to cost cutting measures in line with the Provincial Turnaround Strategy.

Payment for financial assets	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Payment for financial assets	-	62	(62)	0%

The amount of R62,000 is in respect of staff debts that were written off after following all debt management procedures.



STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	451,361	435,718
Departmental revenue	2	352,612	326,483
Aid assistance	3	5,192	38,639
TOTAL REVENUE		809,165	800,840
EXPENDITURE			
Current expenditure			
Compensation of employees	4	112,663	110,668
Goods and services	5	261,700	252,354
Aid assistance	3	2,570	23,457
Total current expenditure		376,933	386,479
Transfers and subsidies	7	42,017	52,937
Expenditure for capital assets			
Tangible capital assets	8	7,037	11,314
Software and other intangible assets	8	328	9
Total expenditure for capital assets		7,365	11,323
Payments for financial assets	6	62	1,821
TOTAL EXPENDITURE		426,377	452,560
SURPLUS/(DEFICIT) FOR THE YEAR		382,788	348,280
Reconciliation of Surplus/(Deficit) for the year			
Voted Funds	14	27,554	6,615
Annual Appropriation		27,554	6,615
Departmental Revenue	15	352,612	326,483
Aid assistance	3	2,622	15,182
SURPLUS/(DEFICIT) FOR THE YEAR		382,788	348,280



STATEMENT OF FINANCIAL POSITION

as at 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current assets		33,068	32,769
Unauthorised expenditure	9	-	8,042
Cash and cash equivalents	11	27,765	30
Prepayments and advances	12	36	104
Receivables	13	5,267	21,971
Aid assistance receivable	3	-	2,622
TOTAL ASSETS		33,068	32,769
LIABILITIES			
EXPENDITURE			
Current liabilities		32,802	32,580
Voted funds to be surrendered to the Revenue Fund	14	27,554	6,615
Departmental revenue to be surrendered to the Revenue Fund	15	3,594	3,204
Bank overdraft	16	-	21,107
Payables	17	1,654	1,654
TOTAL LIABILITIES		32,802	32,580
NET ASSETS		266	189
Represented by:			
Recoverable revenue		266	189
TOTAL		266	189



STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
Recoverable revenue			
Opening balance		189	53
Transfers:		77	136
Debts recovered (included in departmental receipts)		(130)	(79)
Debts raised		207	215
Closing balance		266	189
TOTAL		266	189

CASH FLOW STATEMENT

for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		809,165	800,258
Annual appropriated funds received	1.1	451,361	435,718
Departmental revenue received	2	352,612	325,901
Aid assistance received	3	5,192	38,639
Net (increase)/decrease in working capital		24,814	(7,890)
Surrendered to Revenue Fund		(358,837)	(326,208)
Current payments		(376,933)	(386,479)
Payments for financial assets		(62)	(1,821)
Transfers and subsidies paid		(42,017)	(52,937)
Net cash flow available from operating activities	18	56,130	24,923
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(7,365)	(11,323)
Proceeds from sale of capital assets	2.3	-	582
Net cash flows from investing activities		(7,365)	(10,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		77	136
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		77	136
Net increase/(decrease) in cash and cash equivalents		48,842	14,318
Cash and cash equivalents at the beginning of the period		(21,077)	(35,395)
Cash and cash equivalents at end of period	19	27,765	(21,077)

ACCOUNTING POLICIES

for the year ended 31 March 2011

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.

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 Provincial Revenue Fund. Any amounts owing to the 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 Provincial Revenue Fund at the end of the financial year is recognised as



ACCOUNTING POLICIES

for the year ended 31 March 2011

receivable in the statement of financial position.

2.2 Departmental revenue

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

Any amount owing to the Provincial Revenue Fund 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 note to the annual financial statements.

2.3 Direct Exchequer receipts

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

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as 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

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.

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



ACCOUNTING POLICIES

for the year ended 31 March 2011

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 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.

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).

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.

3.4 Payment 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 amounts.

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).



ACCOUNTING POLICIES

for the year ended 31 March 2011

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.

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 Payments 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.



ACCOUNTING POLICIES

for the year ended 31 March 2011

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 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.6 Capital assets

4.6.1 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 the fair value cannot be determined, the capital asset is included in the asset register at R1.

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

4.6.2 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. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

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.

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.



ACCOUNTING POLICIES for the year ended 31 March 2011

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.

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 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 statement.

5.8 Impairment and other provisions

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 / services potential flowing from the instrument.

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.



ACCOUNTING POLICIES

for the year ended 31 March 2011

6. Receivables for departmental revenue

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

7. Net Asset

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 Provincial Revenue Fund when the underlining asset is disposed of 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 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 notes.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received 2008/09
	R'000	R'000	R'000	R'000
Administration	111,804	111,804	–	99,864
Institutional Development	97,920	98,243	(323)	105,323
Policy and Governance	241,637	241,314	323	230,531
Total	451,361	451,361	–	435,718

2. Departmental revenue

	Note	2010/11 R'000	2009/10 R'000
Tax revenue		351,440	325,541
Sales of goods and services other than capital assets	2.1	223	268
Interest, dividends and rent on land	2.2	6	14
Sales of capital assets	2.3	–	582
Financial transactions in assets and liabilities	2.4	943	78
Departmental revenue collected		352,612	326,483

Tax Revenue is respect of Casino Taxes and Horseracing Taxes. The increase of revenue against Transactions in financial assets and liabilities is due to revenue received from ticket sales for the 2010 FIFA World Cup.

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	2		
Sales by market establishment		19	105
Administrative fees		147	109
Other sales		57	54
Total		223	268

2.2 Interest, dividends and rent on land

Interest	2	6	14
Total		6	14

2.3 Sales of capital assets

Tangible assets	2	–	–
Machinery and equipment	29	–	582
Total		–	582



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
2.4 Financial transactions in assets and liabilities			
Receivables		112	–
Other Receipts including Recoverable Revenue	2	831	78
Total		943	78
3. Aid assistance			
3.1 Assistance received in cash from other sources			
Local			
Opening Balance		(2,622)	(22,646)
Revenue		5,192	38,639
Expenditure		(2,570)	(23,457)
Current		(2,570)	(23,457)
Prepayments		–	4,842
Closing Balance		–	(2,622)
3.2 Total			
Opening Balance		(2,622)	(22,646)
Revenue		5,192	38,639
Expenditure		(2,570)	(23,457)
Current		(2,570)	(23,457)
Prepayments		–	4,842
Closing Balance		–	(2,622)
3.3 Analysis of balance			
Aid Assistance receivable		–	(22,646)
Other Sources		–	38,639
Closing Balance		–	(2,622)

The Aid Assistance was received from the Department of Labour for the Masifundisane Adult Literacy Programme. This Programme commenced in the 2007/08 financial year and was completed during the 2010/11 financial year. During the 2010/11 financial year, once the project was completed, it had come to the department's attention that a portion of the funds, R4,842 million spent in the 2009/10 financial year will not be funded by the Department of Labour, as it was in excess of the original allocation. This additional cost related to the finalisation of the project and the graduation ceremonies for the individuals who participated in the programme. It was a necessary cost to be incurred and it was agreed by the programme manager that this amount will be funded from the department's equitable share in the 2010/11 financial year. This has resulted in the prior year's balance recoverable from the donor to be restated by reducing the amount by R4,842 million and the amount has been reflected as part of receivables.



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
4. Compensation of employees			
4.1 Salaries and Wages			
Basic salary		74,193	71,624
Performance award		43	3,391
Service Based		255	406
Compensative/circumstantial		2,631	2,450
Other non-pensionable allowances		22,648	21,013
Total		99,770	98,884
4.2 Social contributions			
Employer contributions			
Pension		9,044	8,279
Medical		3,832	3,495
Bargaining council		17	10
Total		12,893	11,784
Total compensation of employees		112,663	110,668
Average number of employees		341	347
The increase in Compensation of Employees is due to the appointment of new employees as well as Youth Ambassadors. The Youth Ambassadors were appointed to gather information statistics from rural communities to address government services.			

5. Goods and services

Administrative Fees		2,036	2,642
Advertising		18,490	29,424
Assets less R5000	5.1	1,078	795
Bursaries (employees)		390	382
Catering		15,169	13,254
Communication		8,815	11,173
Computer services	5.2	20,486	8,488
Consultants, contractors and agency/outsourced sources	5.3	105,284	107,773
Entertainment		–	3
Audit cost – external	5.4	2,684	2,420
Fleet services		10	–
Inventory	5.5	8,423	8,952
Operating Leases		13,612	12,377
Owned and leasehold property expenditure	5.6	10,729	11,456
Transport provided as part of the departmental activities		6,677	3,878
Travel and subsistence	5.7	25,663	22,871
Venues and facilities		15,103	14,595
Training and staff development		6,031	1,268
Other operating expenditure	5.8	1,020	603
TOTAL		261,700	252,354



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
5.1 Assets less than R5,000			
Tangible Assets	5		
Machinery and equipment		1,078	795
Total		1,078	795
5.2 Computer Services	5		
SITA computer services		19,913	5,191
External computer service providers		573	3,297
Total		20,486	8,488
The increase on Computer Services is mainly due to software licences that were required as an enabling tool for the Nerve Centre to provide more accurate demographical data.			
5.3 Consultants, contractors and agency/outsourced services	5		
Business and advisory services		19,488	34,889
Legal Costs		992	713
Contractors		84,630	71,690
Agency and support/outsourced services		174	481
Total		105,284	107,773
5.4 Audit cost – external	5		
Regularity audits		2,684	2,420
Total		2,684	2,420
5.5 Inventory	5		
Food and food supplies		997	776
Fuel, oil and gas		23	24
Other consumable materials		258	268
Maintenance material		154	387
Stationery and printing		6,987	7,483
Medical supplies		4	14
Total		8,423	8,952
The Department does not have bulk inventory and has no stores.			
5.6 Property payments	5		
Municipal services		4,422	4,393
Property maintenance and repairs		1,980	2,393
Other		4,327	4,670
Total		10,729	11,456
5.7 Travel and subsistence	5		
Local		22,754	16,370
Foreign		2,909	6,501
Total		25,663	22,871



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	<i>Note</i>	2010/11 R'000	2009/10 R'000
5.8 Other operating expenditure	5		
Learnerships		247	15
Professional bodies, membership and subscription fees		373	351
Resettlement costs		51	129
Other		349	108
Total		1,020	603
 6. Payments for financial assets			
Debts written off		62	1,821
Total		62	1,821
 6.1 Debts written off	6		
Nature of debts written off			
Staff Debts		62	35
Sundry Debts		–	1,786
Total		62	1,821
 7. Transfers and Subsidies			
Provinces and municipalities	<i>Annex 1A</i>	–	4,823
Departmental Agencies and accounts	<i>Annex 1B</i>	36,688	46,989
Non profit institutions	<i>Annex 1C</i>	–	30
Households	<i>Annex 1D</i>	5,329	1,095
Total		42,017	52,937
 8. Expenditure for capital assets			
Tangible assets		7,037	11,314
Buildings and other fixed structures		–	3,932
Heritage assets		323	373
Machinery and equipment	29	6,714	7,009
 Software and other intangible assets		328	9
Computer software	30	328	9
Total		7,365	11,323



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

8.1 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted Funds R'000	Aid Assistance R'000	TOTAL R'000
Tangible Assets	7,037	–	7,037
Machinery and equipment	6,714	–	6,714
Heritage assets	323	–	323
Software and other intangible assets	328	–	328
Computer Software	328	–	328
Total	7,365	–	7,365

8.2 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted Funds R'000	Aid Assistance R'000	TOTAL R'000
Tangible Assets	11,314	–	11,314
Buildings & other fixed structures	3,932	–	3,932
Machinery & equipment	7,382	–	7,382
Software and other intangible assets	9	–	9
Computer Software	9	–	9
Total	11,323	–	11,323

9. Unauthorised expenditure

	Note	2010/11 R'000	2009/10 R'000
9.1 Reconciliation of unauthorised expenditure			
Opening Balance		8,042	8,042
Less : Amounts approved by Parliament/Legislature with funding	14	(8,042)	–
Unauthorised expenditure awaiting authorisation		–	8,042
9.2 Analysis of awaiting authorisation per economic classification			
Current		–	8,042
Total		–	8,042



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000			
10. Fruitless and wasteful expenditure						
10.1 Reconciliation of fruitless and wasteful expenditure						
Opening Balance		–	1,786			
Less: Amounts condoned						
Current		–	(1,786)			
Fruitless and wasteful expenditure awaiting condonement		–	–			
11. Cash and cash equivalents						
Consolidated Paymaster General Account		27,735	-			
Cash on hand		30	30			
Total		27,765	30			
12. Prepayments and advances						
Travel and subsistence		36	104			
Total		36	104			
13. Receivables						
	Note	Less than one year R'000	One to three years	Older than three years R'000	Total R'000	200/10 R'000
	13.1					
Claims Recoverable	Annex 3	2,925	20	–	2,945	15,639
Recoverable expenditure	13.2	–	–	439	439	5,281
Staff debt	13.3	189	77	30	296	320
Other debtors	13.4	1,333	64	190	1,587	731
Total		4,447	161	659	5,267	21,971
13.1 Claims Recoverable				13		
National Departments				20		2,287
Provincial Departments				2,898		13,352
Public entities				27		–
Total				2,945		15,639
13.2 Recoverable expenditure (disallowance accounts)				13		
Disallowances Damages and Losses				542		381
Disallowances Damages and Losses Recovered				(542)		(381)
Disallowance: Payment Fraud				439		439
Department of Labour				–		4,842
Total				439		5,281



NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
13.3 Staff Debt	13		
Employee Debt		97	92
Ex-Employee Debt		92	220
Salary: Tax Debt		14	8
Other debt		93	–
Total		296	320
13.4 Other Debtors	13		
Supplier Debt		1,548	689
SARS		39	42
Total		1,587	731
14. Voted Funds to be surrendered to the Revenue Fund			
Opening Balance		6,615	7
Transfer from statement of financial performance		27,554	6,615
Paid during the year		(6,615)	(7)
Closing Balance		27,554	6,615
The amount of R27,554 million is the surplus funds as at the financial year end. This amount will be surrendered to Provincial Treasury during the 2011/12 financial year.			
15. Departmental revenue to be surrendered to the Revenue Fund			
Opening Balance		3,204	2,922
Transfer from statement of financial performance		352,612	326,483
Paid during the year		(352,222)	(326,201)
Closing Balance		3,594	3,204
The amount of R3,594 million is the Revenue balance as at the financial year end that will be surrendered to Provincial Treasury during the 2011/12 financial year.			
16. Bank overdraft			
Consolidated Paymaster General Account		–	21,107
Total		–	21,107
17. Payables – current			
Advances received	17.1	1,640	1,654
Clearing accounts	17.2	1	–
Other payables		13	–
Closing Balance		1,654	1,654



NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
17.1 Advances received	17		
Advances from Public Corporations and Private Enterprises		1,640	1,654
Closing Balance		1,640	1,654
17.2 Clearing accounts	17		
Salary Pension		1	–
Closing Balance		1	–
17.3 Other payables	17		
Tax payables		13	–
Closing Balance		13	–
18. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		382,788	348,280
Add back non cash/cash movements not deemed operating activities		(326,658)	(323,357)
(Increase)/decrease in receivables – current		16,704	(9,612)
(Increase)/decrease in prepayments and advances		68	(78)
(Increase)/decrease in other current assets		8,042	1,786
Increase/(decrease) in payables – current		–	14
Proceeds from sale of capital assets		–	(582)
Expenditure on capital assets		7,365	11,323
Surrenders to Revenue Fund		(358,837)	(326,208)
Net cash flow generated by operating activities		56,130	24,923
19. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		27,735	(21,107)
Cash on hand		30	30
Total		27,765	(21,077)



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

		Note	2010/11 R'000	2009/10 R'000	
20.	Contingent liabilities				
	Liable to	Nature			
	Housing loan guarantees	Employees	Annex 2A	44	75
	Claims against the department		Annex 2B	6,500	2,115
	Other departments (interdepartmental unconfirmed balances)		Annex 4	—	9,496
	Closing Balance		6,544	11,686	

21. Commitments

Current expenditure

Approved and contracted	8,141	40,290
	8,141	40,290

Capital Expenditure (including transfers)

Approved and contracted	1,916	—
	1,916	—

Total Commitments	10,057	40,290
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Included in commitments are the following contracts which will end after 31 March 2012:

– Project Management Commitment of R4,058 million.

22. Accruals

Listed by economic classification

	30 days	30+ days	2010/11 Total	2009/10 Total
Goods and services	8,269	3,686	11,955	13,474
Capital assets	34	—	34	—
Total	8,303	3,686	11,989	13,474

Listed by programme level

Programme 1: Administration	2,354	1,647
Programme 2: Institutional Development	3,515	5,183
Programme 3: Policy and Governance	6,120	6,644
	11,989	13,474

Confirmed balances with other departments	Annex 4	65	924
		65	924



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

23. Employee benefits

Leave entitlement	6,045	4,438
Thirteenth cheque	1,998	1,992
Performance awards	–	–
Capped leave commitments	9,225	9,817
Total	17,268	16,247

The leave entitlement and capped leave balances as disclosed above are the net of negative balances. The negative balances amounts to R97,759.

24. Lease Commitments

24.1 Operating leases expenditure

	Buildings and other fixed structures	Machinery and equipment	Total
2010/11			
Not later than 1 year	5,282	1,199	6,481
Later than 1 year and not later than 5 years	11,830	932	12,762
Total lease commitments	17,112	2,131	19,243

	Buildings and other fixed structures	Machinery and equipment	Total
2009/10			
Not later than 1 year	4,612	745	5,357
Later than 1 year and not later than 5 years	16,793	939	17,732
Total lease commitments	21,405	1,684	23,089

24.2 Finance leases

	Machinery and equipment	Total
2010/11		
Not later than 1 year	1,878	1,878
Later than 1 year and not later than 5 years	1,878	1,878
Total lease commitments	3,756	3,756

	Machinery and equipment	Total
2009/10		
Not later than 1 year	852	852
Later than 1 year and not later than 5 years	209	209
Total lease commitments	1,061	1,061

Total present value of lease liabilities	1,061	1,061
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The above finance leases are in respect of cellular phone leases.



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

	Note	2010/11 R'000	2009/10 R'000
25. Receivables for departmental revenue			
Tax revenue		29,020	29,004
Total		29,020	29,004

Tax Revenue is in respect of Casino Taxes amounting to R26,617 million and Horseracing Taxes amounting to R2,403 million.

26. Irregular Expenditure

26.1 Reconciliation of irregular expenditure

Add: Irregular Expenditure – relating to current year	18	–
Irregular expenditure awaiting condonation	18	–
Analysis of awaiting condonation per age classification		
Current year	18	–
Total	18	–

The amount of R18,000 is in respect of employees who had not declared their additional remunerative work in their financial disclosure forms and therefore had not obtained the necessary approval to do the additional remunerative work.

	2010/11 R'000
26.2 Details of irregular expenditure – current year	
Incident	
Non declaration of additional remunerative work by employees.	18
	18

27. Fruitless and wasteful expenditure

	2010/11 R'000	2009/10 R'000
27.1 Reconciliation of fruitless and wasteful expenditure		
Opening Balance	–	1,786
Less: amounts condoned	–	(1,786)
Fruitless and wasteful expenditure awaiting condonement	–	–



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

28. Key management personnel

	No. of Individuals	2010/11	2009/10
Political office bearers (provide detail below)	1	1,651	1,624
Officials:			
Level 15 to 16	4	5,991	7,555
Level 14 (incl CFO if at a lower level)	14	11,340	12,244
Total		18,982	21,423

Political Office Bearer refers to the Honourable Premier, Dr Z.L. Mkhize.

	Note	2010/11 R'000	2009/10 R'000
29. Impairment and other provisions			
Impairment			
Staff debtors		1,187	19
Other debtors		–	142
Total		1,187	161

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER
FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	39,044	–	6,523	162	45,405
Transport assets	9,193	–	2,387	–	11,580
Computer equipment	13,066	–	2,418	162	15,322
Furniture and office equipment	12,694	–	894	–	13,588
Other machinery and equipment	4,091	–	824	–	4,915
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	39,044	–	6,523	162	45,405



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

30.1 Additions

ADDITIONS TO TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Capital Work in Progress current costs and Finance lease payments)	Received current, not paid (Paid current year, received prior year)	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	6,714	–	–	–	6,523
Transport assets	2,578	–	–	(191)	2,387
Computer equipment	2,418	–	–	–	2,418
Furniture and office equipment	894	–	–	–	894
Other machinery and equipment	824	–	–	–	824
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6,714	–	–	(191)	6,523

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	–	162	162	–
Computer Equipment	–	162	162	–
TOTAL	–	162	162	–

30.3 Movement for 2009/10

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	38,398	6,291	5,645	39,044
Transport assets	13,452	1,120	5,379	9,193
Computer equipment	9,655	3,630	219	13,066
Furniture and office equipment	11,939	802	47	12,694
Other machinery and equipment	3,352	739	–	4,091
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	38,398	6,291	5,645	39,044



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

30.4 Minor Assets

MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2011

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Opening balance	51	6,633	6,684
Additions	–	1,078	1,078
Disposals	–	17	17
TOTAL	51	7,694	7,745

	Intangible assets	Machinery and equipment	Total
Number of R1 minor assets	–	5,909	5,909
Number of minor assets at cost	–	4,094	4,094
TOTAL	–	10,003	10,003

30.5 Minor Assets

MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2011

	Intangible assets R'000	Machinery and equipment R'000	Total R'000
Minor Assets	51	6,633	6,684
TOTAL	51	6,633	6,633

	Intangible assets	Machinery and equipment	Total
Number of minor assets	–	5,926	5,926
Number of minor assets at cost	4	3,772	3,772
TOTAL	4	9,698	9,702

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance R'000	Current Year Adjust-ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	17,732	–	328	–	18,060
TOTAL	17,732	–	328	–	18,060



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

31.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Cash	Non-cash	(Development Work-in-progress current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	328	–	–	–	328
TOTAL	328	–	–	–	328

31.2 Movement for 2009/10

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	17,723	9	–	17,732
TOTAL	17,723	9	–	17,732



DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

32. World Cup Expenditure

	2010/11 Quantity	R'000	2009/10 R'000
Tickets acquired	1 430	1,127	8,534
Distribution of tickets	2010/11 Quantity	R'000	2009/10 R'000
Clients/stakeholders	194	122	4,462
Senior Management	272	226	568
Other employees	507	408	—
Other government entities	158	108	107
Other			
MECs	299	263	2,475
MPLs	—	—	922
Total	1 430	1,127	8,534
Travel Costs		2010/11	2009/10
Clients/stakeholders		1,598	4,146
Senior Management		302	1,730
Other Employees		106	545
Total		2,006	6,421
Purchase of other World Cup apparel	2010/11 Quantity	R'000	2009/10 R'000
Shirts and caps	—	134	272
Blankets	—	865	—
Flags, vuvuzela's, soccer balls	—	50	106
Gifts for 2010 activations	—	1,268	—
VIP gifts – hosting functions	—	64	—
Total	—	2,381	378
Total World Cup expenditure		5,514	15,333

Actual revenue in respect of the 2010 FIFA World cup for ticket sales amounted to R519,560 and debts amounting to R60,340 were raised as at 31 March 2011.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2009/10
	Amount	Roll Overs	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	
Zululand Municipality	–	–	–	–	–	–	–	–	–	4,823	
TOTAL	–	–	–	–	–	–	–	–	–	4,823	

The transfer payment of R4,823 million that was made during the 2009/10 financial year was the final transfer payment to the Zululand Municipality as a result of the transfer of the Mangosuthu Buthelezi Airport and Air Transport Services to the Zululand Municipality.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER			2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
KwaZulu-Natal Gambling Board	16,356	–	–	16,356	16,356	100%	15,428	
Amafa aKwazulu-Natali	20,332	–	–	20,332	20,332	100%	32,841	
TOTAL	36,688	–	–	36,688	36,688	–	48,269	

The KwaZulu-Natal Gambling Board received a transfer payment of R16,356 million and Amafa aKwazulu-Natali received an amount of R20,332 million



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

ANNEXURE 1C

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Nyonini Emnyama Catholic Church	–	–	–	–	–	–	30
TOTAL	–	–	–	–	–	–	30

A transfer payment of R30,000 was made during the 2009/10 financial year to the Nyonini Emnyama Catholic Church in Zion towards the purchase of chairs, as pledged by the Premier.

ANNEXURE 1D

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Injury on Duty	–	–	–	–	5	–	99
Leave Gratuity	–	–	220	220	231	105%	162
Post Retirement Benefit	903	–	–	903	887	98%	836
Severance Package	4,206	–	–	4,206	4,206	100%	–
TOTAL	5,109	–	220	5,329	5,329	100%	1,097

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2011

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11		2009/10	
		R'000		R'000	
Received in kind					
HR Future	400 Magazines, courier costs, speaker fees		20		–
Deloitte & Touche	Bags		1		–
Avusa Recruitment & Tender Advertising	T-Shirts and papers		17		–
City Press	Full colour advert		75		–
City Press	250 business cards for gala guests, laptop bags and note book holder		8		–
Sanlam	400 conference folders, 400 writing pads		25		–
Audi centre Umhlanga	Lucky draw items		1		–
Hirsch's Homestore	4 x R100 Hirsch gift vouchers		1		–
Ayanda Mbanga Communications	Entertainment		8		–
GEMS	T – Shirts and stress balls, wellness testing and speaker		30		–
Sanctuary Pharmacy	Speaker and gift hamper, beauty clinic voucher		1		–
Macrobiotics	Various hampers		1		–
Xclusive Toys Motor City	Transport, tea, coffee, biscuits, bottled water and lucky prizes		5		–
ABSA	T – Shirts, lucky prizes, match tickets, Vitabiotics free sample		1		–
Vikesh Srikewal – Optometrist	Free eye screening, vouchers for eye screening, 2 x sunglasses		7		–
Country bake	125 Scones, 125 cupcakes		2		–
Chanti Travel & Shereen Meersingh and Associates	3 X diaries, lanyards, mouse pads, folders		1		–
Dubai Prime Minister	Dagger		1		–
ZCC – Imbali	Sheep		1		–
Transnet KZN	Chess Board		1		–
Chanti Travel & Shereen Meersingh and Associates	3 X diaries, lanyards, mouse pads, folders		1		–
1st Ministry of Overseas Indian Affairs	2 x Watches		1		–
KSIA – ACSA (Momhla Hlahla)	Framed Feather		1		–
Inkosi yaseMadungeni	Sheep		1		–
Consul General of India	Round – plate handcraft marble		1		–
Dr Rev K E M Mgojo – National Golden Games	Bag with 2 hats, 1 jacket, 2 T shirts, 1 Tracksuit, 1 pair of shorts and 1 pair of takkies		1		–
Various gifts received by Premier	Various gifts		9		–



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

ANNEXURE 1E (continued)

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2011

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
		R'000	R'000
President Jacob Zuma	Cow	–	6
UKZN	Engraved Shield	–	1
Foreign Minister of Dubai	Sword	–	5
Government of Dubai	Crystal Eagle Statue	–	1
Government of Dubai	Small Carpet	–	2
	Brown Suitcase	–	1
Ezemvelo KZN Wildlife	Zebra Skin	–	10
Cllr W Mdabe : Mayor of Ilembe District	Sheep	–	1
Inkosi Shabalala	Cow	–	6
Bay T B Manager	Sheep	–	1
Dubai Prime Minister	Dagger	–	1
ZCC – Imbali	Sheep	–	1
Ambassadors from Gulf Estate	Promotional Gifts	–	7
Buden Wurttenburg - Germany	Promotional Gifts	–	2
South African Consular in the USA	Promotional Gifts	–	1
South African Consular in the USA	Promotional Gifts	–	21
Juta and Company Ltd	4 copies of labour Dispute resolution, 4 copies of Juta labour Mini laboratory & 2 copies of the LRA, EEA Pocket Commentaries	–	3
Avusa	Advert, 300 The times, 300 Sowetan & 280 Pens, Note pads	–	110
Audi	30 Golfer	–	7
Van Schaik Bookstore	Books	–	7
Ayanda Mbanga Communication	30 Golfer Shirts	–	6
Future Life	360 packets of instant energy meal	–	8
Creative Ink	35 Golf Shirts, 200 Copies of Ripple Effect	–	4
Vawda's Promotion CC	Vawda's Tog Bag, picnic chair cooler, beanie, bottle opener, calculator/business card holder, clock, travel mug picnic backpack, laptop, conferencing bag	–	1
Hilton Hotel Durban	Accommodation for 2	–	6
MTN	400 Golf Shirts and 400 caps	–	124
HR Future Magazines	400 Magazines	–	25
TOTAL		221	368

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011

ANNEXURE 1F

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Department of Labour	Masifundisane Adult Literacy Programme	(7,464)	5,192	(2,272)	—
TOTAL		(7,464)	5,192	(2,272)	—

An agreement was reached with the Department of Labour to host the graduation ceremony to honour the trainees for completing the Masifundisane Adult Literacy Programme. The expenditure was incurred by the Office of the Premier as it did not form part of the original deliverables that had to be funded by the Department of Labour. This project was completed during the 2010/11 financial year.

ANNEXURE 1G

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE
AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
	R'000	R'000
Made in kind		
President of Madagascar – Mr Marc Ravalomanana – Frammed telephone wire	4	—
Ambassador of Nigeria – Frammed Beaded Coaster	1	—
Ambassador of India – Lamp	1	—
Subtotal	6	—
TOTAL	6	—



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2011 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2010	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2011	Guaranteed interest for year ended 31 March 2011	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
Standard Bank	Housing	566	44	–	–	–	44	–	–
Firststrand Bank	Housing	155	31	–	31	–	–	–	–
	Total	721	75	–	31	–	44	–	–

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011

Nature of Liability	Opening Balance 1 April 2010	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2010
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Data Dynamics	615	–	615	–	–
Abold, Buro fur Marketingkommunikation Gmbh	1,500	–	–	–	1,500
Parry	–	5,000	–	–	5,000
Total	2,115	5,000	615	–	6,500

The Data Dynamics case was closed by the State Attorney as it is envisaged that there will be no further proceedings. A further contingent liability of R5 million has been included that relates to a claim against the State for injuries incurred by an individual at the Provincial Public Service Training Academy.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 3

INTER-GOVERNMENT RECEIVABLES

Government Entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Department	R'000	R'000	R'000	R'000	R'000	R'000
Department of Local Government and Traditional Affairs	193	–	–	341	193	341
Department of Agriculture	158	–	447	6,704	605	6,704
Department of Education	169	521	–	341	169	862
Provincial Treasury	40	1,130	185	–	225	1,130
Department of Health	225	26	–	–	225	26
Department of Arts and Culture	169	22	–	–	169	22
Department of Social Development	158	–	–	11	158	11
Department of Works	–	–	246	1,151	246	1,151
Royal Household	10	–	–	2	10	2
Provincial Legislature	–	–	1	2,686	1	2,686
Department of Transport	–	–	198	368	198	368
Department of Housing	225	–	–	49	225	49
National Transport	–	–	–	148	–	148
Minerals and Energy	–	2,100	–	–	–	2,100
DPSA	–	–	16	39	16	39
Department of Economic Affairs	158	–	–	–	158	–
Department of Community & Safety	–	–	158	–	158	–
Department of Sports & Recreation	158	–	–	–	158	–
National Correctional Services	–	–	4	–	4	–
Sub-total	1,663	3,799	1,255	11,840	2,918	15,639
Other Government Entities						
TKZN	–	–	27	–	27	–
Sub-total	–	–	27	–	27	–
TOTAL	1,663	3,799	1,282	11,840	2,945	15,639

Office of the Premier
VOTE 1



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE 4

INTER-DEPARTMENTAL PAYABLES

Government Entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Departments	R'000	R'000	R'000	R'000	R'000	R'000
Department of Transport	–	191	–	419	–	610
Department of Justice & Constitutional Development	–	1	–	–	–	1
Department of Works	–	645	–	8,826	–	9,471
Department of National Transport	–	53	–	33	–	86
South African Police Services	–	34	–	37	–	71
Department of Welfare	–	–	–	181	–	181
Department of Labour	9	–	–	–	9	–
Department of Tourism	15	–	–	–	15	–
TOTAL	24	924	–	9,496	24	10,420

ANNEXURE 5

INVENTORY

Inventory	Note	2010/11	2009/10
		R'000	R'000
Opening Balance			
Add/ (Less) : Adjustments to prior year balances		–	–
Add: Additions/Purchases – Cash		8,423	8,952
Add: Additions – Non-cash		–	–
(Less): Disposals		–	–
(Less): Issues		(8,423)	(8,952)
Add/ (Less): Adjustments		–	–
Closing Balance		–	–
TOTAL		–	–

No quantities have been disclosed as the inventory consists of different types of inventory and each type of inventory has a different unit of measure.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2011

ANNEXURE A

SCHEDULE – IMMOVABLE ASSETS, LAND AND SUB SOIL ASSETS

Opening balances – 2007/2008

In the 2006/07 financial year the department applied Accounting Circular 1 of 2007. The impact of this circular on the financial statements resulted in the cumulative balances on buildings being transferred to the provincial Department of Works. The balance that was transferred was R125,104 million under the category *Buildings and Other Fixed Structures* and R266,000 under the category *Heritage Assets*.

Movements to immovable assets – 2007/2008

The department has applied the exemption as granted by the National Treasury and thus immovable assets have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2007/08 financial year on buildings recorded under the category *Buildings and Other Fixed Structures* were R10,700 million and *Heritage Assets* – R385,000.

Disposals

The disposals for the current year under the category *Buildings and Other Fixed Structures* – R10,360 million.

Movements to immovable assets – 2008/2009

The department has applied the exemption as granted by the National Treasury and thus where there is uncertainty with regards to ownership of immovable assets; these have not been disclosed on the face of the annual financial statements.

Additions

The additions for the 2008/09 financial year on buildings recorded under the category *Buildings and Other Fixed Structures* was R212,000 and *Heritage Assets* – R262,000.

Disposals

The department did not dispose of any additions on buildings for the 2008/09 financial year.

Movements to immovable assets – 2009/2010

The department has applied the Guidelines as issued by the National Treasury and thus where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalised, these assets must not be disclosed in the notes to the annual financial statements. The register for immovables in the Province of KwaZulu-Natal resides with the Department of Public Works.



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2011

Additions

The additions for the 2009/2010 year recorded on *Buildings and Fixed Structures* are R3 931 749.66 and *Heritage Assets* – R373 177.88.

Work-In-Progress

The work-in-progress as at 31 March 2010 recorded on *Buildings and Fixed Structures* is nil.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2009/10 financial year.

Movements to immovable assets – 2010/2011

The department has applied the Guidelines as issued by the National Treasury and thus where there is doubt as to which department is responsible for the property and the GIAMA allocation process has not been finalised, these assets must not be disclosed in the notes to the annual financial statements. The register for immovables in the Province of KwaZulu-Natal resides with the Department of Public Works.

Additions

The additions received in 2010/2011 and not yet paid was *Heritage Assets* in amount of R34 000.80. The additions paid for in 2010/2011 year recorded on *Heritage Assets* is R322 954.78.

Work-In-Progress

The work-in-progress as at 31 March 2011 recorded on *Buildings and Fixed Structures* is nil.

Disposals/Transfers

The department did not dispose of any additions on buildings for the 2010/11 financial year.

The supplementary information presented does not form part of the annual financial statements and is unaudited.





5. Human Resource Management





The statistics and information published in the Human Resources Management part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2002 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The tables were obtained from Department of Public Service and Administration (DPSA). Any input or clarification required should be directed to:-

Henk Serfontein
Department of Public Service and Administration
Henk_S@dpsa.gov.za

For a detailed description and explanation of the terminology used in this section of the report, please consult the publication from the DPSA entitled 'A guide to understanding the oversight report of departmental annual reports'. A copy of the guide is available from all departments or can be accessed from the DPSA website (www.dpsa.gov.za).

5.1 Service delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1.1 – Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Premier's Service Excellence Awards (PSEA)	Premier Provincial Departments Municipalities Citizens	NGOs CBOs Business sector	Improved service standards in line with White Paper on Transforming Public Service Delivery (1997)	Improved delivery of services to the citizenry and best performing teams in line with White Paper rewarded by the Premier during the PSEA ceremony
Service Delivery Improvement	Premier Provincial Departments Municipalities Citizens	NGOs CBOs Business sector	KZN Citizens' Charter ensuring departments adhere to their Service Commitment Charters and SDIPs	Approval of the reviewed KZN Citizens' Charter by Cabinet in March 2011

Table 1.2 – Consultation arrangements with customers

Type of Arrangement	Actual Customers	Potential Customers	Actual Achievements
Izimbizo	KZN Citizens	Stakeholders	1 imbizo held
Mass Media	KZN Citizens	Stakeholders Provincial Departments	Weekly radio slots on Ukhozi FM, Igagasi and Lotus FM 9 editions of Simama Provincial Newsletter



Table 1.3 – Service delivery access strategy

Access Strategy	Actual Achievements
Mass media	Weekly radio slots on Ukhozi FM, Igagasi and Lotus FM 9 editions of Simama Provincial Newspaper

Table 1.4 – Service information tool

Type of Information Tool	Actual Achievements
Provincial Batho Pele Forum	6 forums held
Training	4714 public servants trained on NQF aligned and outcome based training courses
KZN Citizens' Charter	Approval of KZN Citizens' Charter by Cabinet in March 2011
Service Commitment Charter and Service Delivery Improvement Plans	Departmental Service Commitment Charters and Service Delivery Improvement Plans submitted to the DPSA
Service Rights Charter	Justice and Social Cluster Know Your Service Rights Booklets and Service Rights Charter in English, IsiXhosa and IsiZulu distributed to the citizens during public service gatherings resulting in increased public awareness about citizens' rights about public services

Table 1.5 – Complaints mechanism

Complaints Mechanism	Actual Achievements
Anti-Fraud & Corruption Hotline	48 cases resolved

5.2 Expenditure

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

Table 2.1 – Personnel costs by programme, 2010/11

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percent of total expenditure	Average personnel cost per employee (R'000)
Programme 1: Administration	101,738	43,270	102	–	10.2	135
Programme 2: Institutional Development	95,275	43,171	5,840	–	10.2	135
Programme 3: Policy & governance	226,794	26,222	89	–	6.2	82
Total	423,807	112,663	6,031	–	26.6	352



Table 2.2 – Personnel costs by salary bands, 2010/11

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	689	0.6	138
Skilled (Levels 3-5)	109, 079	6.7	200
Highly skilled production (Levels 6-8)	25,191	20.4	413
Highly skilled supervision (Levels 9-12)	849,445	31.9	418
Senior management (Levels 13-16)	38,076	30.9	819
Abnormal appointment	1,287	1	7
Total	1,712.078	91.5	2000

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

Table 2.3 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2010/11

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Programme 1: Administration	33014	67.8	312	0.6	845	1.7	1,483	3
Programme 2: Institutional Development	34865	77.6	142	0.3	883	2	1,523	3.4
Programme 3: Policy & governance	22513	76.2	393	1.3	627	2.1	806	2.7
Total	90392	73.4	847	0.7	2,355	1.9	3,812	3.1

Table 2.4 – Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2010/11

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	448	65	3	0.4	54	7.8	81	11.8
Skilled (Levels 3-5)	5543	166.1	167	2	415	5	697	8.5
Highly skilled production (Levels 6-8)	18424	161.5	566	5.5	722	3.1	1,516	6.4



Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Highly skilled supervision (Levels 9-12)	31767	160.9	110	0.3	566	1.4	1,038	2.5
Senior management (Levels 13-16)	33172	161.6	–	–	601	2.8	476	1.3
Abnormal appointment	1040	80.5	–	–	–	–	–	–
Total	90394	73.4	846	0.7	2358	1.9	3812	3.1

5.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Departments have identified critical occupations that need to be monitored. Table 3.3 provides establishment and vacancy information for the key critical occupations of the department.

Table 3.1 - Employment and vacancies by programme, 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1: Administration	141	124	12.1	3
Programme 2: Institutional Development	146	127	13	2
Programme 3: Policy & governance	79	69	12.7	6
Total	366	320	12.6	11

Table 3.2 - Employment and vacancies by salary bands, 31 March 2011

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	8	5	37.5	–
Skilled (Levels 3-5)	61	56	8.5	–
Highly skilled production (Levels 6-8)	130	117	10.7	1
Highly skilled supervision (Levels 9-12)	115	99	14.8	–
Senior management (Levels 13-16)	52	43	19.6	–
Total	366	320	12.6	11



Table 3.3 - Employment and vacancies by critical occupation, 31 March 2011

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of posts filled additional to the establishment
Administrative related	107	89	16.8	3
Advocates	4	4	—	—
Attorneys	1	1	—	—
Bus and heavy vehicle drivers	5	4	20	—
Cleaners in offices, workshops, hospitals etc.	2	1	50	—
Client information clerks(switchboard reception information clerks)	2	1	50	—
Communication and information related	13	11	15.4	2
Finance and economics related	6	6	—	—
Financial and related professionals	4	4	—	—
Financial clerks and credit controllers	12	12	—	—
Food services aids and waiters	1	1	—	—
Household and laundry workers	4	3	25	—
Household food and laundry services related	1	1	—	—
Human resources & organisational development & related profession	19	18	5.3	—
Human resources clerks	4	4	—	—
Human resources related	1	0	100	—
Language practitioners interpreters & other communication	3	3	—	—
Legal related	1	1	—	—
Library mail and related clerks	1	1	—	—
Light vehicle drivers	2	2	—	—
Material—recording and transport clerks	4	4	—	—
Mathematicians and related professionals	2	2	—	—
Messengers porters and deliverers	7	7	—	—
Other administrative & related clerks and organisers	31	30	3.2	4
Other administrative policy and related officers	26	24	7.7	—
Other occupations	4	3	25	—
Secretaries & other keyboard operating clerks	48	42	12.5	2
Senior managers	51	41	19.6	—
Total	366	320	12.6	11

The information in each case reflects the situation as at 31 March 2011. For an indication of changes in staffing patterns over the year under review, please refer to section 5 of this report.



5.4 Job evaluation

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

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

Table 4.1 – Job Evaluation, 1 April 2010 to 31 March 2011

Salary band	Number of posts	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	8	–	–	–	–	–	–
Skilled (Levels 3-5)	59	–	–	–	–	–	–
Highly skilled production (Levels 6-8)	121	8	6.61	–	–	–	–
Highly skilled supervision (Levels 9-12)	108	6	5.55	–	–	–	–
Senior Management Service Band A	29	1	3.44	–	–	–	–
Senior Management Service Band B	14	–	–	–	–	–	–
Senior Management Service Band C	1	–	–	–	–	–	–
Senior Management Service Band D	2	–	–	–	–	–	–
Total	342	15	4.38	–	–	–	–

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

Table 4.2 – Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011

Beneficiaries	African	Asian	Coloured	White	Total
Female	–	–	–	–	–
Male	–	–	–	–	–
Total	–	–	–	–	–
Employees with a disability					–



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

Table 4.3 – Employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2010/11	None
--	------

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

Table 4.4 – Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	–	–	–	–	–
Male	–	–	–	–	–
Total	–	–	–	–	–
Employees with a disability					–

5.5 Employment changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 5.1) and by critical occupations (Table 5.2). (These “critical occupations” should be the same as those listed in Table 3.3).

Table 5.1 – Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011

Salary Band	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover Rate
Lower skilled (Levels 1-2),	8	–	–	–
Skilled				
(Levels 3-5),	57	–	5	8.8
Highly skilled production (Levels 6-8),	111	3	4	3.6
Highly skilled supervision (Levels 9-12)	95	3	3	3.2
Senior Management Service Band A	25	–	–	–
Senior Management Service Band B	14	–	–	–
Senior Management Service B and C	1	–	1	100
Senior Management Service Band D	1	–	–	–
Contract (Levels 3-5)	–	4	2	50
Contract (Levels 6-8)	3	12	2	66.7
Contract (Levels 9-12)	4	3	2	50.0
Contract (Band A)	2	1	2	100.0
Contract (Band B)	1	–	–	–
Contract (Band C)	1	1	1	100.0
Contract (Band D)	2	3	1	50.0
Total	325	30	24	7.4



Table 5.2 – Annual turnover rates by critical occupation for the period 1 April 2010 to 31 March 2011

Occupation	Employment at Beginning of Period (April 2010)	Appointments	Terminations	Turnover rate
Administrative related	161	13	9	5.6
Advocates	4	–	1	25.0
Cleaners in offices workshops hospitals etc.	1	–	–	–
Client inform clerks(switchboard reception information clerks)	2	–	–	–
Communication and information related	9	3	1	11.1
Finance and economics related	10	–	–	–
Financial and related professionals	4	1	–	–
Financial clerks and credit controllers	10	–	–	–
Food services aids and waiters	5	–	1	20.0
General legal administration & rel. professionals	1	–	–	–
Household food and laundry services related	1	–	–	–
Human resources & organisation development & related profession	2	–	–	–
Human resources clerks	3	–	–	–
Human resources related	8	–	1	12.5
Language practitioners interpreters & other communication	3	–	–	–
Legal related	–	1	–	–
Light vehicle drivers	1	–	–	–
Messengers porters and deliverers	8	–	1	12.5
Motor vehicle drivers	9	–	1	11.1
Other administrative & related clerks and organisers	–	4	–	–
Other occupations	2	–	–	–
Secretaries & other keyboard operating clerks	40	3	4	10.0
Senior managers	41	5	5	12.2
Total	325	30	24	7.4

Table 5.3 – Reasons why staff are leaving the department

Termination Type	Number	% of total
Death	5	21.0
Resignation	6	25.0
Expiry of contract	8	33.0
Retirement	5	21.0
Total	24	100.0



Table 5.4 - Promotions by Critical Occupation

Occupation	Employees as at 1 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	161	3	1.9	110	68.3
Advocates	4	–	–	3	75
Cleaners in offices workshops hospitals etc.	1	–	–	1	100
Client inform clerks (switchboard reception information clerks)	2	–	–	–	–
Communication and information related	9	–	–	3	33.3
Finance and economics related	10	1	10	9	90
Financial and related professionals	4	1	25	1	25
Financial clerks and credit controllers	10	3	30	5	50
Food services aids and waiters	5	–	–	2	40
General legal administration & related professionals	1	–	–	1	100
Household food and laundry services related	1	–	–	–	–
Human resources & organisational development & related profession	2	–	–	2	100
Human resources clerks	3	–	–	2	66.7
Human resources related	8	1	12.5	6	75
Language practitioners interpreters & other communication	3	–	–	3	100
Light vehicle drivers	1	–	–	–	–
Messengers porters and deliverers	8	–	–	6	75
Motor vehicle drivers	9	3	33.3	5	55.6
Other occupations	2	1	50	1	50
Secretaries & other keyboard operating clerks	40	2	5	28	70
Senior managers	41	3	7.3	15	36.6
Total	325	18	5.5	203	62.5



Table 5.5 - Promotions by salary band

Salary Band	Employees as at 1 April 2010	Promotions to another salary level	Salary bands promotions as a % of employee by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	8	–	–	5	62.5
Skilled (Levels 3-5)	57	1	1.8	34	59.6
Highly skilled production (Levels 6-8)	111	12	10.8	77	69.4
Highly skilled supervision (Levels 9-12)	95	2	2.1	71	74.7
Senior management (Levels 13-16)	41	3	7.3	16	39
Contract (Levels 6-8)	3	–	–	–	–
Contract (Levels 9-12)	4	–	–	–	–
Contract (Levels 13-16)	6	–	–	–	–
Total	325	18	5.5	203	62.5

5.6 Employment equity

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

Table 6.1 – Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2011

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	22	–	2	4	7	–	4	–	39
Professionals	10	1	4	2	12	1	9	3	42
Technicians and associate professionals	43	–	5	3	82	5	17	7	162
Clerks	7	–	–	–	39	2	5	1	54
Service and sales workers	–	–	–	–	1	–	–	–	1
Skilled agriculture and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades workers	–	–	–	–	–	–	–	–	–
Plant and machine operators and assemblers	7	1	–	–	–	–	–	–	8
Elementary occupations	5	–	–	–	–	–	–	–	14
Total	94	2	11	9	150	8	35	11	320
Employees with disabilities	2	–	–	–	4	–	–	–	6



6.2 – Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	–	–	1	1	–	–	–	5
Senior Management	22	–	2	3	6	–	4	1	38
Professionally qualified and experienced specialists and mid-management	26	1	5	4	42	2	16	3	99
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	28	1	4	1	57	5	14	7	117
Semi-skilled and discretionary decision making	13	–	–	–	41	1	1	–	56
Unskilled and defined decision making	2	–	–	–	3	–	–	–	5
Total	94	2	11	9	150	8	35	11	320
Plant and machine operators and assemblers	7	1	–	–	–	–	–	–	8
Elementary occupations	5	–	–	–	–	–	–	–	14
Total	94	2	11	9	150	8	35	11	320

6.3 – Recruitment for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	–	–	1	1	–	–	–	4
Senior Management	–	–	–	–	1	–	–	–	1
Professionally qualified and experienced specialists and mid-management	2	–	–	–	–	–	–	1	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	–	–	1	–	2	–	–	–	3
Semi-skilled and discretionary decision making	–	–	–	–	–	–	–	–	–
Unskilled and defined decision making	–	–	–	–	–	–	–	–	–
Total	4	–	1	1	4	–	–	1	11
Employees with disabilities	–	–	–	–	2	–	–	–	2



6.4 – Promotions for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	–	–	–	–	–	–	–	1
Senior Management	11	–	1	1	2	–	2	1	18
Professionally qualified and experienced specialists and mid-management	18	1	4	3	27	3	14	3	73
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	19	–	3	–	43	4	10	6	85
Semi-skilled and discretionary decision making	8	–	–	–	25	1	1	–	35
Unskilled and defined decision making	2	–	–	–	3	–	–	–	5
Total	59	1	8	4	100	8	27	10	217
Employees with disabilities	–	–	–	–	1	–	–	–	–

6.5 – Terminations for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	–	–	–	–	–	–	–	2
Senior Management	–	–	–	–	–	–	–	–	–
Professionally qualified and experienced specialists and mid-management	–	1	–	–	–	1	–	2	4
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	–	–	–	3	–	–	–	5
Semi-skilled and discretionary decision making	1	–	–	–	3	–	–	–	4
Unskilled and defined decision making	0	–	–	–	–	–	–	–	–
Total	5	1	–	–	6	1	–	2	15
Employees with disabilities	–	–	–	–	–	–	–	–	–

6.6 – Disciplinary action for the period 1 April 2010 to 31 March 2011

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	–	–	–	–	–	–	–	–	–



6.7 – Skills development for the period 1 April 2010 to 31 March 2011

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	–	–	–	2	–	2	1	7
Professionals	8	–	1	–	13	–	5	–	27
Technicians and associate professionals	11	–	–	–	32	3	5	–	51
Clerks	9	–	–	–	27	–	4	–	40
Service and sales workers	2	–	–	–	–	–	–	–	2
Skilled agriculture and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades workers	–	–	–	–	–	–	–	–	–
Plant and machine operators and assemblers	–	–	–	–	–	–	–	–	–
Elementary occupations	–	–	–	–	–	–	–	–	–
Total	32	–	1	–	74	3	16	1	127
Employees with disabilities	–	–	–	–	–	–	–	–	–

5.6 Performance rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

Table 7.1 – Performance Rewards by race, gender, and disability, 1 April 2010 to 31 March 2011

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	–	92	–	–	–
Female	–	148	–	–	–
Asian					
Male	–	11	–	–	–
Female	–	35	–	–	–
Coloured					
Male	–	2	–	–	–
Female	–	8	–	–	–
White					
Male	–	9	–	–	–
Female	–	11	–	–	–
Employees with a disability	–	4	–	–	–
Total	–	320	–	–	–



Table 7.2 – Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011

Salary Bands	Beneficiary Profile			Cost		
	–	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	–	5	–	–	–	–
Skilled (Levels 3-5)	–	54	–	–	–	–
Highly skilled production (Levels 6-8)	–	108	–	–	–	–
Highly skilled supervision (Levels 9-12)	–	94	–	–	–	–
Total	–	261	–	–	–	–

Table 7.3 – Performance Rewards by critical occupations, 1 April 2010 to 31 March 2011

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
None	–	–	–	–	–
Total	–	–	–	–	–

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

Salary Band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within band	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	–	25	–	–	–	–
Band B	–	13	–	–	–	–
Band C	–	1	–	–	–	–
Band D	–	4	–	–	–	–
Total	–	43	–	–	–	–



5.8 Foreign workers

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

Table 8.1 – Foreign Workers, 1 April 2010 to 31 March 2011, by salary band

Salary Band	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	–	–	–	–	–	–
Skilled (Levels 3-5)	–	–	–	–	–	–
Highly skilled production (Levels 6-8)	–	–	–	–	–	–
Highly skilled supervision (Levels 9-12)	–	–	–	–	–	–
Senior management (Levels 13-16)	–	–	–	–	–	–
Total	–	–	–	–	–	–

Table 8.2 – Foreign Worker, 1 April 2010 to 31 March 2011, by major occupation

Major Occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
None	–	–	–	–	–	–
Total	–	–	–	–	–	–

5.9 Leave utilisation for the period 1 January 2010 to 31 December 2010

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

Table 9.1 – Sick leave, 1 January 2010 to 31 December 2010

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	54	96.3	4	1.6	14	13
Skilled (Levels 3-5)	453	86.8	44	18.1	10	135
Highly skilled production (Levels 6-8)	934	85.2	83	34.2	11	475
Highly skilled supervision (Levels 9-12)	638	84.5	81	33.3	8	798
Senior management (Levels 13-16)	141	80.9	29	11.9	5	366
Total	2,220	10.85	241	19.91	48	1,787



Table 9.2 – Disability leave (temporary and permanent), 1 January 2010 to 31 December 2010

Salary Band	Total days taken	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1–2)	–	–	–	–	–	–
Skilled (Levels 3–5)	–	–	–	–	–	–
Highly skilled production (Levels 6–8)	85	100	3	10	28	46
Highly skilled supervision (Levels 9–12)	–	–	–	–	–	–
Senior management (Levels 13–16)	–	–	–	–	–	–
Total	85	100	3	10	28	46

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 9.3 – Annual Leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days taken	Average days per employee
Lower skilled (Levels 1–2)	112	22
Skilled (Levels 3–5)	1,066	19
Highly skilled production (Levels 6–8)	2,058	19
Highly skilled supervision (Levels 9–12)	1,935	21
Senior management (Levels 13–16)	743	20
Total	5,914	101

Table 9.4 – Capped leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010
Lower skilled (Levels 1–2)	–	–	–
Skilled (Levels 3–5)	14	7	99
Highly skilled production (Levels 6–8)	5	3	69
Highly skilled supervision (Levels 9–12)	26	5	74
Senior management (Levels 13–16)	3	3	80
Total	48	18	322

Table 9.5 – Leave payouts for the period 1 April 2010 to 31 March 2011

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

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2010/11 due to non-utilisation of leave for the previous cycle	–	–	–
Capped leave payouts on termination of service for 2010/11	254	19	13,368
Current leave payout on termination of service for 2010/11	–	–	–
Total	254	19	13,368



5.10 HIV and AIDS & health promotion programmes

Table 10.1 – Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases	Key steps taken to reduce the risk
There are no identified categories of employees at high risk of contracting HIV & related diseases.	None

Table 10.2 – Details of Health Promotion and HIV and AIDS Programmes

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.	✓		Internal Mr G B Sithole Manager: HR Support Provincial Mr J M Gumede 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.	✓		Internal Mrs S Badul Deputy Manager: Employee Wellness Mrs K D Mahlambi: Occupational Health and Safety Officer Mrs S Makhanya HR Practitioner: Employee Wellness Provincial Mr J M Gumede Manager: Employee Health and Wellness Ms B Ntshaba – Secretary Ms L Zondi – Administration Officer Budget – R180 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		Internal Quarterly information sessions on wellness were held. On site wellness testing for blood glucose levels, Body Mass Index, Cholesterol, Blood Pressure and neck and shoulder massage. On-site Voluntary HIV and AIDS Counselling. A total of 471 employees participate (127 males and 344 females) EAP Assessments and referrals Advice and guidance on financial management. Implementation of workplace exercise programmes and participation in the provincial sports day. Provincial On site Wellness Testing at the annual Wellness Day and the Human Resource Convention. Provincial policy consultation workshop Promoting and co-ordination of the provincial sports day.
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.	✓		Please see attached list for the list of Committee members.



Table 10.2 – Details of Health Promotion and HIV and AIDS Programmes (continued)

Question	Yes	No	Details, if yes
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.	✓		Relevant policies reviewed. No discrimination found.
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.	✓		<p>There are both Provincial and Departmental policies which cover the following:</p> <p>The draft policy HIV, AIDS and TB ensures that no employee or potential employee will be discriminated against due to their HIV status or perceived status. The policy induces that recourse in the form of grievance and / or disciplinary action can be instituted.</p> <p>Employees can receive counselling for HIV and AIDS. In addition the employee can seek psychosocial support from the Employee Wellness Programme.</p> <p>The Employee Wellness programme ensures that the highest degree of confidentiality is maintained and no breach in confidentiality occurs thus resulting in discrimination.</p> <p>Wellness Information days held – were issues surrounding male and female health issues were discussed. Condom distribution and utilisation encouraged.</p>
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		<p>Annual Wellness on site testing was held on 26 November 2010 as part of the Red Ribbon Month.</p> <p>Employees were encouraged to participate and information pertaining to the testing was forwarded to all employees. Employees participated, however this was part of the provincial event and statistics were not recorded per Department.</p>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Employee feedback analysed after each information session



5.11 Labour relations

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

Table 11.1 – Collective agreements, 1 April 2010 to 31 March 2011

Subject Matter	Date
Total collective agreements	None

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

Table 11.2 – Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number
Disciplinary hearings – 2010/11	None

Table 11.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
None	–	–
Total	–	–

Table 11.4 – Grievances lodged for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of grievances resolved	4	100%
Number of grievances not resolved	–	–
Total number of grievances lodged	4	100%

Table 11.5 – Disputes lodged with Councils for the period 1 April 2010 to 31 March 2011

	Number	% of Total
Number of disputes upheld	1	100%
Number of disputes dismissed	–	–
Total number of disputes lodged	1	100%

Table 11.6 – Strike actions for the period 1 April 2010 to 31 March 2011

Total number of person working days lost	6
Total cost (R'000) of working days lost	3
Amount (R'000) recovered as a result of no work no pay	3

Table 11.7 – Precautionary suspensions for the period 1 April 2010 to 31 March 2011

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



5.12 Skills development

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

12.1 – Training needs identified 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	–	10	–	10
	Male	32	–	19	–	19
Professionals	Female	4	–	4	–	4
	Male	7	–	7	–	7
Technicians and associate professionals	Female	93	–	47	–	47
	Male	53	–	32	–	32
Clerks	Female	77	–	47	–	47
	Male	13	–	10	–	10
Service and sales workers	Female	19	–	9	–	9
	Male	14	–	2	–	2
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Plant and machine operators and assemblers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary occupations	Female	–	–	–	–	–
	Male	–	–	–	–	–
Sub Total	Female	–	–	–	–	–
	Male	–	–	–	–	–
Total		328	–	187	–	187



12.2 – Training provided 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	16	–	2	–	2
	Male	32	–	2	3	5
Professionals	Female	4	1	17	–	18
	Male	7	–	9	–	9
Technicians and associate professionals	Female	93	–	40	–	40
	Male	53	–	11	–	11
Clerks	Female	77	–	31	–	31
	Male	13	–	9	–	9
Service and sales workers	Female	19	–	–	–	–
	Male	14	–	2	–	2
Skilled agriculture and fishery workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Craft and related trades workers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Plant and machine operators and assemblers	Female	–	–	–	–	–
	Male	–	–	–	–	–
Elementary occupations	Female	–	–	–	–	–
	Male	–	–	–	–	–
Sub Total	Female	–	–	–	–	–
	Male	–	–	–	–	–
Total		328	1	123	3	127

5.13 Injury on duty

The following tables provide basic information on injury on duty.

Table 13.1 – Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Total Disablement	–	–
Permanent Disablement	–	–
Fatal	–	–
Total	1	100



5.14 Utilisation of consultants

Table 14.1 – Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
None	–	–	–

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

Table 14.2 – Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	–	–	–

Table 14.3 – Report on consultant appointments using Donor funds

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None	–	–	–

Table 14.4 – Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
None	–	–	–



premier

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Human Resource Management

[illegible]



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