

Independent Development Trust

Annual Report 2010/11

Our vision

“To be the leading knowledge-based development agency.”



independent development trust

Your partner in development

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independent development trust

About the IDT

The IDT offers programme management and development advisory services to government departments and other development partners. Emphasis is on the eradication of chronic intergenerational poverty, especially among the rural poor communities.

Our vision

To be the leading knowledge-based development agency.

Our mission

The IDT, together with strategic partners, will enable poor communities to access resources, to recognise and unlock their own potential for sustainable development.

Our values

- We are people centred
- We have integrity
- We are professional
- We are accountable
- We are visionary

Core focus areas

The IDT, together with strategic partners, will enable poor communities to access resources, to recognise and unlock their own potential for sustainable development. The IDT principally undertakes this through the delivery of social infrastructure, which is seen as all the necessary measures, facilities and networks to prepare communities to receive, own, manage, and sustain their development.



Capacity building

Empowering participatory development and local planning



Environmental protection and food security

Securing food utilising environmentally friendly development methods



Expanded Public Works Programme

Providing work opportunities through labour intensive methods to the most vulnerable



Rural Development

Securing vibrant, cohesive and sustainable rural economies and communities



Sports, Arts and Culture

Promoting a cohesive, active and winning nation



Water and Sanitation

Addressing rural household water and sanitation infrastructure backlogs



Welfare Support and Facilities

Facilitating for a participatory and caring society



Health facilities

Access to better quality healthcare for all



Justice facilities

Improving safety and access to justice for all



Education facilities

Access to better quality education for all

National impact

Strategic objectives

To achieve the goals of the Board's 2010/30 Strategic Vision, the IDT has adopted three strategic objectives, namely:

- To attain sustainable livelihoods through people-centred development interventions
- To pioneer innovative development solutions
- To ensure excellence in service delivery

Regionally achieved through our:

- Development programme management to enable the delivery of services
- Leverage/Harnessing resources for poor and marginalised communities
- Institutional delivery and capacity building for programme delivery and sustainable development
- Knowledge management to create a vibrant culture of learning and growth
- Social facilitation to encourage community participation in the development interventions in order to ensure ownership and sustainability



Locations of IDT offices

Strategic highlights

Business portfolio

R2,5 billion

Programme expenditure

R2,272 billion

EPWP work opportunities

32 697

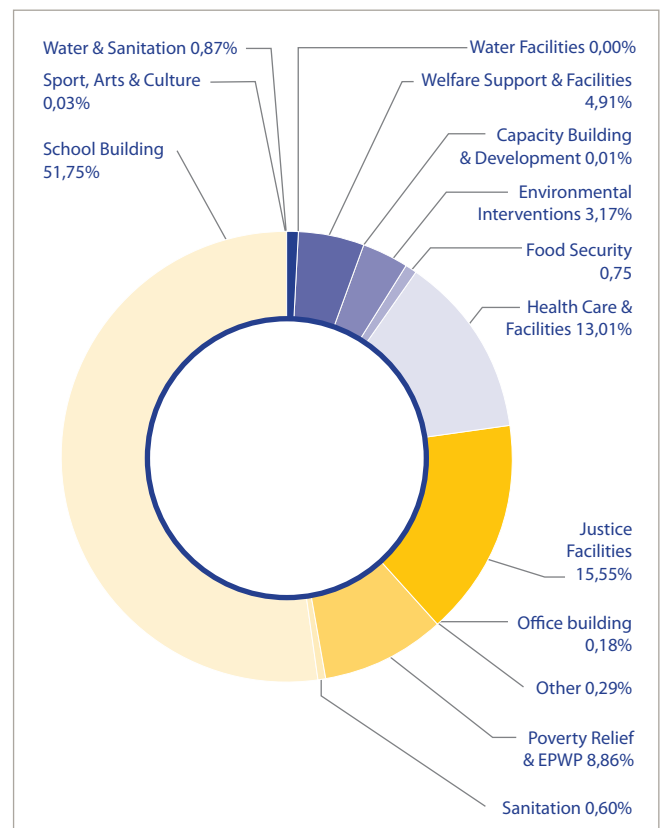
BEE spend

R1,53 billion

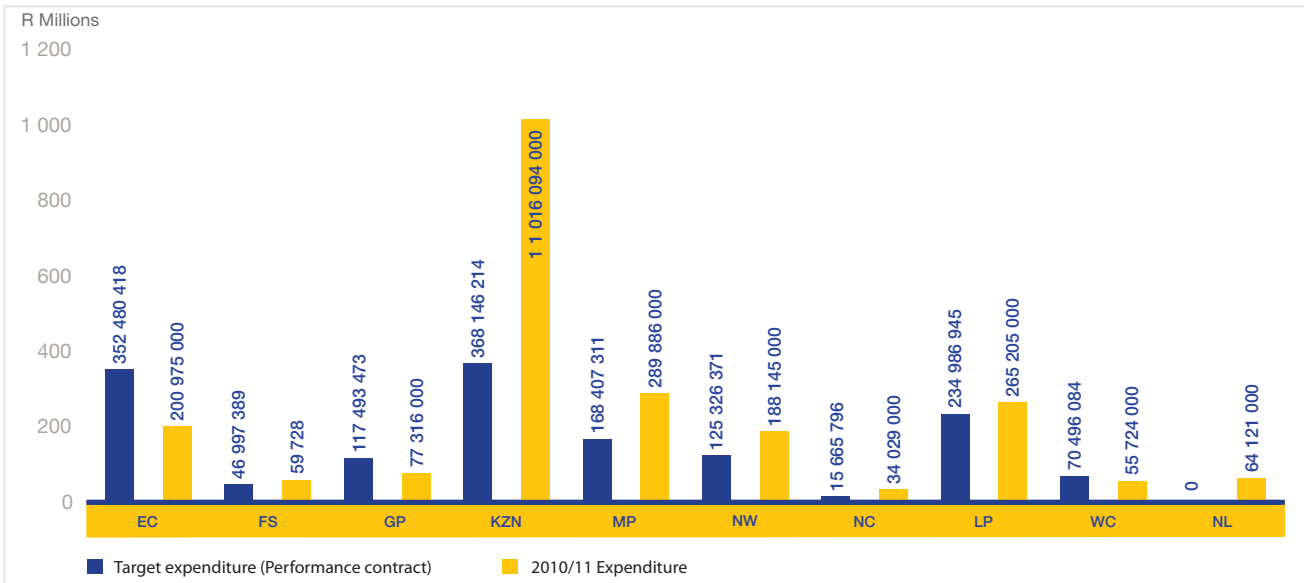
Youth participation rate

50%

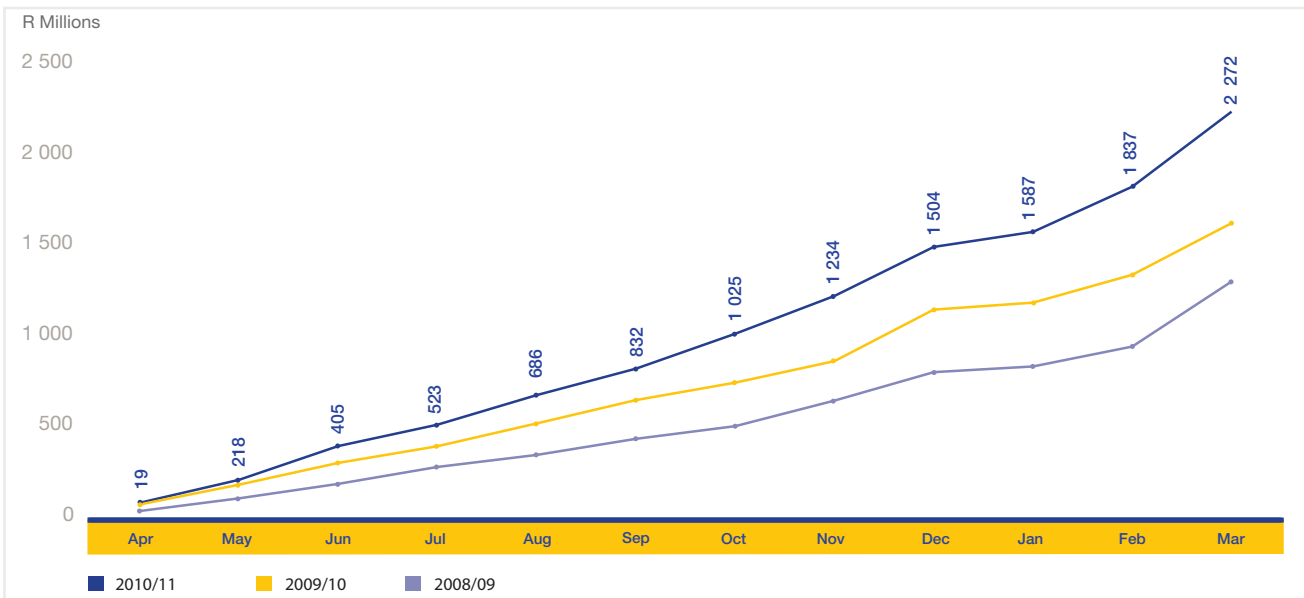
Figure 1: Distribution of expenditure by programme category 2010/11



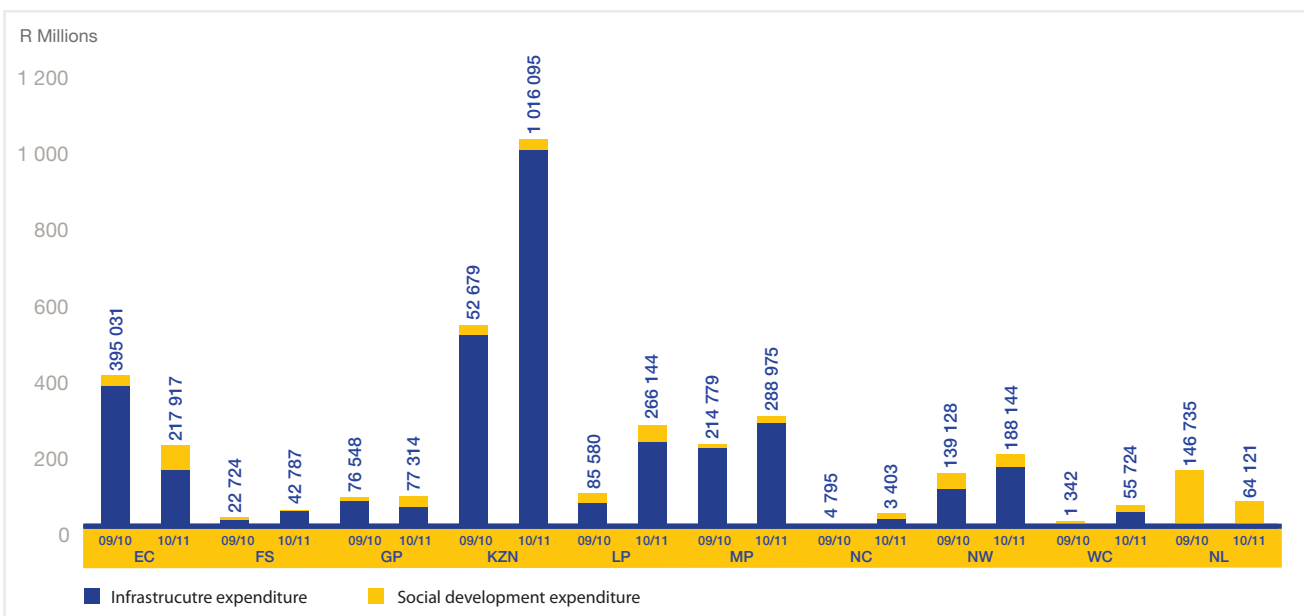
Expenditure performance reported as at 31 March 2011 (R'000)



Expenditure trends analysis



Infrastructure vs. Social development expenditure analysis



Organisational overview

The Independent Development Trust (IDT) was established as an independent development agency in 1990 through a R2 billion endowment. The IDT in its lifetime has built a credible reputation as a central development agency and a partner to the most marginalised in South Africa, so as to ensure that South Africa truly belongs to all that live in it. In keeping with its mission the IDT has continuously received guidance from the Minister of Public Works who is its Executive Authority. The IDT reports to the Parliament of South Africa through the Minister.

Since the IDT has been an important part of the development machinery of South Africa, it has remained committed to supporting all spheres of government with the implementation of the national development agenda with particular reference to the eradication of poverty, employment creation, and the creation of sustainable and cohesive communities.

There have been distinct phases in the 21-year life span of the IDT, which have rendered congruency between the IDT's shifts in strategic focus and nuances in the national development agenda. Consequently, the IDT has evolved from being a grant-making organisation into a responsive development agency with a well-established footprint across South Africa.

Table 1: Programme performance: 2001 to 2011

Financial year	Portfolio/Target (R millions)	Expenditure (R millions)	%
2001/02	350	300	86
2002/03	750	650	87
2003/04	850	748	88
2004/05	950	768	81
2005/06	1 000	551	55
2006/07	1 000	1 079	108
2007/08	1 200	1 167	97
2008/09	1 500	1 313	88
2009/10	1 500	1 635	109
2010/11	2 000	2 272	113
Value of programmes delivery to date		10 483	

The emphasis on the consolidation of provincial and local spheres of governance of the IDT is a direct result of a consummate emphasis in the South African social policy agenda. This is displayed by the fact that during the 1999/2000 financial year all the programmes that the IDT managed were funded by national departments, but by 2003/04 only 50% of these programmes were nationally funded. By 2010/11 approximately 78% of IDT programmes were provincially funded.

This has been complemented by efforts to strengthen municipal capacities, to the extent that during the 2010/11 financial year, fifteen municipalities were supported through the IDT's Municipal Support Programmes (MSP). In pursuit of innovation and integrated governance, the IDT has in certain instances integrated its Local Area Plans (LAP) with Asset-Based Community Developments (ABCD) as part of the municipalities' Integrated Development Plans (IDP). In so doing the IDT has redefined social infrastructure delivery to mean availing all necessary measures, facilities and networks which are required to prepare communities to receive, own, manage and sustain their own development. Consequently, IDT programmes have been specifically designed to meet the aspirations of the specific communities in which the organisation works. In undertaking this, the IDT, together with strategic partners, has enabled poor communities to recognise and unlock their own potential for sustainable development. The IDT in vigorously pursuing this mission has been favoured by national reach and local presence in the most rural areas of South Africa.

Minister's foreword



The Honourable Gwen Mahlangu-Nkabinde
Minister of Public Works (MP)

In 1955, at least three thousand representatives gathered in Kliptown to articulate the aspirations of the character and content of a new South Africa which declared that “the people shall govern”. Central to the notion of the people’s governance is motivational participation.

For 21 years, the Independent Development Trust (IDT) has contributed towards ensuring the participation of our people in the governance and development of our country. Through reaching beyond the confines of bureaucracy, the IDT has reached out to the most remote areas, often introducing, on behalf of our government, much needed infrastructure and development whilst transforming the conditions in which our people find themselves living. In the 2010/11 financial year, the IDT facilitated the achievement of some of our national imperatives, including those directed at creating decent work and sustainable livelihoods. The phenomenal growth in its portfolio to beyond the R2 billion barrier bears testament to our commitment to building cohesive, caring and sustainable communities. The IDT’s development approach which focuses on Asset-Based Community Development (ABCD) methodology is in line with our commitment to put our people as central actors in their own development. This approach is the defining feature of our developmental state.

Through reaching beyond the confines of bureaucracy, the IDT has reached out to the most remote areas, often introducing (on behalf of our government) much needed infrastructure and development whilst transforming the conditions in which our people find themselves living.

The IDT is an important member of the Public Works family as it transcends all sectors and spheres of government. We therefore remain proud to lead this important public entity. The contributions and dedication of the Board of Trustees, the Chairperson of the Board, the CEO and the staff at the IDT have ensured that we accelerate our initiatives towards meeting our goals of creating over one million work opportunities and improving the quality of health and education.

We proudly present this ninth consecutive unqualified annual report of the Independent Development Trust, with the assurance that victory is certain in our fight against poverty and inequality.

A handwritten signature in black ink, appearing to read 'Gwen Mahlangu-Nkabinde'.

Mrs GL Mahlangu-Nkabinde (MP)
Minister of Public Works

Chairperson's review



Mrs Pumla Radebe – Chairperson of the Board of Trustees

The Board of Trustees of the Independent Development Trust (IDT) proudly presents its 21st Annual Report which covers the period 1 April 2010 to 31 March 2011. This report is evidence of the role played by the IDT in supporting government and the broad public sector in implementing programmes directed at strengthening the social contract to create a better quality of life for all. In order to supplement these public sector programmes, the Board of Trustees decided to apply its now depleting resources towards community mandated programmes and projects since 2008.

By applying the resources entrusted to us, we have secured a more diversified and balanced portfolio through an entrenched and revised service delivery model rooted in development practice. The results, as shown in 2010/11, reflect the gradual shift in programme mix from a historical ratio of 95% infrastructure to an 85,5%/14,5% of infrastructure to social development programmes. Through the efficient and effective management of the public resources entrusted to us, we continue to position the organisation as a national asset committed to serving the poor in the forgotten parts of South Africa. Our natural migration to this position of service has not been without challenges. These challenges include delayed transfers from key client departments, which have impacted negatively on the delivery of targets as well as our financial and reputational position.

As a response, to mitigate these risks through the intervention of the shareholder through the executive authority, the IDT secured an allocation of R150 million from the National Treasury for the 2011/12 financial year. These resources will be utilised towards addressing the organisation's short-term

By applying the resources entrusted to us, we have secured a more diversified and balanced portfolio through an entrenched and revised service delivery model rooted in development practice.

objectives whilst shaping our long-term developmental role. It is our sincere desire that these resources contribute towards ensuring that the IDT continues as a going concern, so as to enable the organisation to fulfil its obligations as a leading knowledge-based development agency. We have crafted this path for the IDT after careful consideration of its rich history, deep institutional knowledge and core development sector competencies and competitive advantage. The ideal organisational state we have crafted is benchmarked against the best in the world, and is customised to South African realities. This is the foundation for the IDT in transition.

We have had the privilege to serve the people of South Africa and are greatly indebted to our Executive Authority. We have been blessed with dedicated executive authorities such as former Minister of Public Works, Mr Geoff Doidge who championed the IDT's short-term funding bid and provided strategic leadership when called upon to do so. The current Minister, Honourable Gwen Mahlangu-Nkabinde welcomed the IDT with humility within days of assuming office. Through her guidance the IDT has reshaped its delivery model and partnerships to ensure that it remains relevant to the aspirations of the most marginalised and rural communities of South Africa. *Nangamsa!!!* To the Deputy Minister, the Honourable Hendrietta Bogopane-Zulu, we thank you for your energy and inspiration. Your leadership has finally ensured that the IDT is in a more sustainable position, *uzungadinwa!!*

The achievements of the IDT would not have been possible without the guidance of the Portfolio Committee on Public Works who have over the years supported and remained interested in the work of the IDT. Without the Committee's



EPWP – NSS sewing project in the North West region



Chairperson of the IDT and the Deputy Minister of Public Works at the third IDT Development Week in Bitou Municipality

guidance the IDT would have been unaware of the communities most in need. We remain appreciative of this focus and counsel.

I must, as Chairperson of the IDT Board, extend my heartfelt appreciation to my fellow Board members for their dedication and diligence. I am thankful for the collective leadership, support and unity displayed by members of the Board of Trustees. I have particularly found the willingness of Chairpersons of Committees and all the Trustees to serve in the various acting and designated capacities to be far beyond the call of duty. *Nize nenze nakwa banye!!!* Your wisdom and guidance is most encouraging. It has been a privilege and pleasure to share the responsibility as the Accounting Authority with talented and patriotic professionals.

The Board also wishes to extend its gratitude to the management at Public Works, the IDT Chief Executive Officer (CEO) and the entire IDT team. We continue to be impressed by the visionary leadership, integrity and compassion displayed by the CEO. Under the CEO's watch, the IDT has grown in leaps and bounds whilst remaining relevant in the development landscape of South Africa. I would be failing if I did not congratulate the IDT family for achieving yet another

feat of a clean audit. We remain certain that, with the capable professionals and committed development workers in the IDT, victory against inequality and poverty is certain.

On the eve of the expiry of our term, we have ushered in a revised mandate and transformation process for the IDT. Knowing the commitment of the shareholder we can, with confidence, assert that *"Mayihlome!!!"* as we present this 2010/11 Annual Report of the IDT, with great pride and humility.

Mrs PF Radebe
Chairperson: Board of Trustees

Chief Executive Officer's overview



Ms Thembi Nwedamutswu – Chief Executive Officer

Team IDT is honoured to present to the Executive Authority, Board of Trustees and the South African public this ninth unqualified Annual Report, this being the eighth such report since I took over the reins at the IDT.

The 2010/11 financial year signified an important pinnacle since the establishment of the IDT. Through the tireless efforts of our staff and management team we have broken the R2 billion barrier in turnover. We have always celebrated such barriers, but we remain conscious of the fact that development is not development unless it is about people. Our mission is a call of duty to ensure that we significantly change the conditions in which our people live. We therefore, present this report to our Board and the people of South Africa certain that we have dealt an irrevocable blow to poverty. Through our 2010/11 achievements we remain confident that we will break the cycle of intergenerational poverty as evidenced by our:

- Promotion of youth empowerment by securing a 50% youth participation rate against a set target of 15%
- Integration of people with disabilities within our programmes through a 3% participation rate against a set target of 2%
- Contribution to wealth redistribution by spending 68% (R1,53 billion) of our portfolio on Black Economic Empowerment (BEE) against set target of 60% (R1,3 billion)
- Women empowerment spend, which is at 26% (R580,8 million) of our portfolio against the target of 25% (R562,0 million)

Overall portfolio and programme expectations must be accompanied by requisite resourcing and capacities, to which end we have embarked on a transformative process. The transformation process and the government-wide monitoring and evaluation framework requires a deepened monitoring, evaluation and reporting system so as to better report on impact and outcomes.

- Contribution of 32 697 work opportunities (in partnership with the Non-State Sector) to the Expanded Public Works Programme (EPWP) against a target of 24 000
- Facilitating the delivery of government programmes aimed at sustainable development to the tune of R2,2 billion

Our progress has not been without difficulties, thus we have partially achieved our targets on:

- Labour spend at 10% (R235 million) of our total portfolio against a set target of 24%
- IDT job opportunities at 25 883 (74%) against a set target of 35 000
- Number of person days for IDT programmes at 1 708 278 (74%) against a target of 2 310 000.

Whereas these remain critical development indicators, we can attribute unsatisfactory achievement to the fact that significant portions of programme spend were directed at less labour-intensive projects which included courts and hospitals; this adversely affected associated targets (labour spend; job opportunities; number of person days). Going forward, we will embark on corrective measures which will include exploring innovative mechanisms and technologies which will deliver more labour-intensive methods, as well as skills development initiatives that will ensure the training of community members in these specialised areas. We have also noted our marginal underachievement in respect of youth spend (13% against targeted 15%) largely because of a reduced youth uptake in the built environment. We believe that by focusing on development-



2010 Award winners of the IDT Contractor Development Programme



Nominees at the IDT Contractor Development Programme awards

oriented programmes such as the EPWP and the KwaZulu-Natal Premier's Flagship Programme we will, as we did in this financial year, maintain youth participation figures to 50% against the current set target of 15%.

It is also notable that, over the past five years (2006/07 – 2010/11), the IDT grew its business portfolio at an average of R318 million per annum which was delivered at an average of 103% of its annual targets. In growing this portfolio the IDT also paid attention to urgent public sector programmes that were at the time facing particular limitations; these included: the launch and implementation of the School Building Programme by utilising Alternative Construction Methods and the Energy Efficiency Project, which were delivered as mandated by the Minister of Public Works and in line with the sustainable development objective of improved environmental considerations. Despite the fact that these programmes were contracted towards the end of February 2011, significant progress had been recorded by the end of the 2010/11 financial year. During February 2011, the IDT also began assisting the Department of Human Settlements with its Rural Household Infrastructure Programme, which in its first year focused on the provision of sanitation facilities to rural households. The programme is premised on ensuring active participation of household members as well as all spheres of governance which require intensive social facilitation and stakeholder management. By the end of the 2010/11 financial year, over 50% of the anticipated work had been completed, despite late transfers and limited stakeholder engagement and social facilitation.

This growth in overall portfolio and programme expectations must be accompanied by requisite resourcing and capacities, to which end we have embarked on a transformative process. The transformation process and the government-wide monitoring and evaluation framework requires a deepened monitoring, evaluation and reporting system so as to better report on impact and outcomes. To this end, the organisation has deepened its M&E and research capacities. In refining the new IDT the organisation continued with core business delivery whilst introducing new and required organisational features. This process has informed the organisation's business case as well as its new-found development role and trajectory.

In line with the national priority of ensuring access to quality education for all, the school building and refurbishment programme constituted 51,8% of the IDT's portfolio. The IDT portfolio delivered 693 classrooms whilst also enhancing the functionality of existing school facilities. The IDT has also ensured that it delivers in provinces and localities with the lower Human Development Indexes (HDI) in a manner that diversifies the programme mix from a historical ratio of 95% infrastructure and 5% social development programmes. The 2010/11 portfolio shows an encouraging shift to 85,5% infrastructure and 14,5% social development programmes.

In pursuing continuous improvement, the IDT has relied on its International relations outlook, which has been largely facilitated by the Department of International Relations and Co-operation (DIRCO). The IDT participated in key international platforms such as the India-Brazil-South Africa (IBSA) Dialogue Forum;

Chief Executive Officer's overview continued

the IBSA Trust Fund Task Team; launch of the African Union's African Women's Decade; FEMNET Programming Conference for the Decade; and the International Conference on Rural Development. We continue to leverage on global agreements; this has seen the IDT assuming board membership of the (UNEP) facilitated Supporting Entrepreneurs for Sustainable Development (SEED) initiative. The IDT has also capitalised on bi-lateral agreements which have seen the IDT continuously benefiting from technical support from the Cuban government. The IDT also participated in the study visit to India on Asset Management, Job Creation and Information Technology which was led by the Minister of Public Works on 10 to 19 April 2010.

In seeking to deepen our technical capacity and leveraging international support we also undertook study visits to the United States and sent our first group of internationalists to the Coady International Institute in Canada through the generous support of the Canadian International Development Agency (CIDA) during the 2010/11 financial year.

We therefore, stand proud in the knowledge that in the IDT South Africa has the necessary artillery to fight and end inequality and absolute poverty.



Ms T Nwedamutswu
Chief Executive Officer

Corporate governance

Executive authority

The IDT is wholly owned by Government and the Shareholder representative is the Minister of Public Works. The IDT accounts for and reports on its activities to Parliament through the Minister of Public Works. In compliance with the PFMA, the Corporate Plan, Shareholder Compact, and required reports were lodged with the Minister as required.

The Chairperson and the Minister of Public Works met on 23 June, 5 November 2010 and 14 March 2011 to review organisational performance and the business case.

Reporting to Parliament

The IDT reports to Parliament through the Portfolio Committee on Public Works. In order to facilitate the Committee's oversight



function, the organisation had several engagements with the Committee and these included oversight visits and presentations to the community. The 2009/10 Annual Report was presented and approved by the Committee on 30 September 2010.

Accounting authority






Board structure

IDT has a unitary Board consisting of independent non-executive Trustees. The members are drawn from diverse backgrounds and bring a wide range of experience and professional skills. The Trustees are appointed for a period of four years and are eligible for re-appointment for one term. The current Board assumed office on 1 October 2007. The Board comprised the following members for the duration of the 2010/11 financial year:

Table 2: Members of the IDT Board of Trustees 2010/11

Member	Picture	Brief biography
Mrs P Radebe <i>Chairperson of the Board</i>		<p>Mrs Pumla Radebe is a Managing Partner of Bungane Development Consultants which undertakes local and provincial government development projects with an emphasis on project management, community profiling, social facilitation and transport planning. With a vast development experience she has worked as a Social Worker and development manager in the Department of Constitutional Development and Planning and the Eastern Gauteng Services Council, amongst others.</p> <p>Mrs Radebe has a BA Degree (University of Fort Hare), a Certificate in Sociology for Developing Countries (University of Bordeaux) and a Diploma in Policy Development and Management (Regenesys), amongst other qualifications.</p>
Dr M Tom <i>Deputy Chairperson of the Board and Chairperson: Strategic Planning and Programmes (SP&P) Committee</i>		<p>Dr Mvuyo Tom is the Vice Chancellor at the University of Fort Hare. Having served as the Director-General of the Eastern Cape provincial government, Permanent Secretary for the Eastern Cape Department of Health and Welfare, and Director for the School of Public Management and Development (amongst others), Dr Tom brings a vast knowledge of public sector planning and implementation. Dr Tom holds an MBChB (University of Natal), Master of Family Medicine (University of the Witwatersrand) and an MSc in Public Policy and Management (University of London), amongst other qualifications.</p>
Ms G Downing <i>Chairperson: Audit and Finance Committees</i>		<p>Ms Gail Downing is the Managing Director of Acorn Products (Pty) Limited, a private sector company which specialises in the production of its own brands (including Tabard Insect Repellent) and the packaging, sales, merchandising and distribution of products from other companies. Ms Downing is also the Chairperson of the South African Women's Entrepreneurs Network (SAWEN) Gauteng. Ms Downing serves on several other boards including Acorn Pharmaceuticals. Ms Downing holds a Diploma in Marketing Management (Institute of Marketing Management) and an MBA (Henley Management College).</p>
Ms Z Mdhlahla <i>Chairperson: Human Resources and Corporate Services (HRCS) Committee</i>		<p>Ms Zandile Mdhlahla is the Chief Executive Officer for the Moral Regeneration Movement after having served as the Director of Financial Aid at the Durban Institute of Technology and as a teacher in the Department of Education. She serves on various boards including the KwaZulu-Natal Women Investments and Uthukela Women's Investment Holdings. Ms Mdhlahla holds a BA degree (University of Zululand), Human Resources Management Certificate (Technikon Natal) and Certificate in Organisational Behaviour (Technikon Natal), amongst other qualifications.</p>

Corporate governance continued

Member	Picture	Brief biography
<p>Ms N F T Mpumlwana Deputy Chairperson of the SP&P Committee and member of the HRCS Committee</p>		<p>Ms Thoko Mpumlwana is the Chairperson of the Film and Publication Board, Deputy Chairperson of the Independent Electoral Commission and a Council Member at the University of Pretoria. She has also served as a teacher at various schools and as the Co-ordinator for Science Development at the Human Science Research Council. Ms Mpumlwana serves on various other boards including the Women's Development Foundation, Isigidlo Trust and Nandi Zulu Trust. She holds a BA (UNISA), B Ed (University of Natal) and an MA (Michigan State University), amongst other qualifications.</p>
<p>Ms C Motsisi Government Representative and Member of the Finance and Audit Committees</p>		<p>Ms Cathy Motsisi is the Chief Financial Officer at the Department of Public Works, after having served as the Acting CFO and Chief Director for Financial Management at the Department of Land Affairs. Ms Motsisi holds a Bachelor of Accounting Sciences (UNISA) and a Senior Executive Programme Certificate (Wits Business School).</p>
<p>Ms T Nkamba-Van Wyk Deputy Chairperson of the HRCS Committee and member of the SP&P Committee</p>		<p>Ms Thembeke Nkamba-Van Wyk is the Vice Chairperson of the National Heritage (Ubuntu) and Gauteng Arts Councils as well as a social entrepreneur. She has trained more than 5 000 rural and peri-urban women and youth in creative industries and business skills. Ms Nkamba-Van Wyk has worked on various social development initiatives including Community Development Fireside Conversations at the Ditsong National Museum and is an author of poetry and children's books. Ms Nkamba-Van Wyk holds a BA (University of Fort Hare), MA (University of California Los Angeles) and an Honorary PhD Literary, Culture and Community Development (Nelson Mandela University).</p>
<p>Mr F Y Patel Government Representative and Member of the Finance, Audit, and SP&P Committees</p>		<p>Mr Firoz Patel is the Deputy Director-General: System Planning and Monitoring, at the Department of Higher Education and Training after having served in a similar capacity at the erstwhile Department of Education. Prior to that, Mr Patel served in the Department of Education as the Chief Director: Financial and Physical Planning. Mr Patel serves on the immigration Board and is the Acting Executive Officer of the National Skills Authority and has served as a Commissioner in the National Commission for UNESCO and as a Council Member of the SA Statistics Council. Mr Patel holds a Bachelor of Commerce (UNISA), an MA Ed (UNISA) and Applied Education and Economics Planning Certificate (University of the Witwatersrand), amongst other qualifications.</p>
<p>Mr K Tiya Member of the Finance and Audit Committees</p>		<p>Mr Khwezi Tiya is the Director and Head of Business Acquisition at the Standard Bank Corporate and Investment Banking, after having served at Coega Development Corporation in his capacity as Executive Manager: Business Development. Mr Tiya has worked as an engineer in various projects and sites with design experience in various multi-disciplinary built environment projects. Mr Tiya holds a BSc Civil Engineering (University of Natal), Certificate in Investment Analysis and Portfolio Management (UNISA) and an MSc Financial Management (University of London), amongst other qualifications.</p>

Board Responsibilities

The Board's powers and responsibilities as contained in the organisation's Trust Deed are implemented through approved governance structures and the delegation of authority framework. The Board as the accounting authority has delegated certain functions to the CEO. The CEO, as accounting officer, is accountable to the Board for exercising her delegated authority and for the performance of the organisation. The CEO regularly provides progress and quarterly reports to the Board and these are complemented by bilateral meetings with the Chairperson of the Board. There were ten such bilateral meetings during the reporting period.

The Board meets quarterly and special meetings are arranged as and when necessary for the Board to fulfil its role. The Board's ability to exercise its fiduciary duties and to provide strategic leadership is enhanced by Trustees' understanding of the nature of the IDT's work and the environment in which it operates. Thus, in addition to the scheduled meetings Trustees made numerous additional investments including: Public Presentation of the 2009/10 Annual Report (October 2010), IDT's 3rd Annual Development Week (October 2010), IDT Contractor Awards (July 2010), and Solomon Mahlangu Freedom College (SOMAFCO) Trust Prize Initiative (September 2010).

During the year under review four scheduled meetings were held:

Table 3: Attendance of Board of Trustees meetings 2010/11

Name	27 May 2010	05 Aug 2010	01 Dec 2010	24 Feb 2011
Ms P F Radebe	✓	✓	✓	✓
Dr M Tom	Apology	Apology	Apology	Apology
Ms G Downing	✓	Apology	✓	✓
Ms Z Mdhlahla	✓	✓	✓	Apology
Ms C Motsisi	Apology	Apology	✓	Apology
Ms N F T Mpumlwana	✓	✓	✓	✓
Ms T Nkamba-Van-Wyk	✓	Apology	✓	✓
Mr F Y Patel	✓	✓	✓	✓
Mr K Tiya	Apology	✓	✓	✓

One special meeting was convened by the Board on 15 July 2010; the meeting approved the Business Case and the 2011/12 Medium Term Expenditure Framework (MTEF) Submission. The Board in exercising its oversight role undertook visits to three provinces.

Board Committees

The Board has established five sub-committees to assist it in exercising its authority, including monitoring the performance of the organisation:

Audit Committee

The Committee is constituted by four members who are non-executive members and an additional external member. The Chairperson of the Board is not a member of the Committee, although she often attends. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Internal Audit partner and the Auditor General's representatives attend all meetings by permanent invitation. All other members of the Executive attend Audit Committee meetings by invitation. During the year under review four scheduled meetings were held:

Table 4: Attendance of Audit Committee meetings 2010/11

Name	17 May 2010	27 Jul 2010	16 Nov 2010	15 Feb 2011
Ms G Downing (Chairperson)	Apology	✓	✓	✓
Ms C Motsisi	✓	Apology	✓	✓
Mr F Patel	✓	Apology	✓	✓
Mr K Tiya	✓	✓	✓	✓
Mr B Mokgoro*	✓	✓	✓	✓

* External member

Finance Committee

Except for the Board Chairperson who is an *ex-officio* member of the Finance Committee, the composition of the Finance Committee is the same as for the Audit Committee. However, the Auditor-General as well as the internal audit are excluded from participation in the Finance Committee. The Committee oversees the financial status of the organisation, which includes the management of its financial resources, quarterly variance reports and the performance of its investments. The Investments Committee, chaired by the Chairperson of the Finance Committee, monitors the performance of the organisation investment fund. During the year under review four scheduled meetings were held:

Corporate governance continued

Table 5: Attendance of Finance Committee meetings 2010/11

Name	17 May 2010	27 Jul 2010	16 Nov 2010	15 Feb 2011
Ms G Downing (Chairperson)	Apology	✓	✓	✓
Ms C Motsisi	Apology	Apology	✓	✓
Mr F Patel	✓	Apology	Apology	✓
Mr K Tiya	✓	✓	✓	✓
Mr B Mokgoro*	✓	✓	✓	✓
Ms P Radebe**	Apology	✓	✓	✓

* External member

** Ex officio member

Strategic Planning and Programmes Committee

The Committee comprised non-executive Trustees reflected below. During the year under review the Committee provided strategic advice on programmes, guidance on strategic imperatives arising from the core business, and monitored the alignment of the corporate strategy to national imperatives. During the year under review four meetings were scheduled:

Table 6: Attendance of Strategic Planning and Programmes Committee meetings 2010/11

Name	14 May 2010	29 Jul 2010	30 Nov 2010	17 Feb 2011
Dr M Tom (Chairperson)	✓	Apology	Apology	✓
Ms N F T Mpumlwana	✓	✓	✓	✓
Ms T Nkamba- Van Wyk	Apology	Apology	✓	✓
Mr F Patel	Apology	Apology	✓	Apology
Ms P Radebe**	✓	✓	✓	✓

** Ex officio member

Human Resources and Corporate Service Committee

The Committee comprised four independent non-executive Trustees, with the responsibility of ensuring that the policies and work of the Human Resources and Corporate Services Units create an enabling operating environment, whilst ensuring that the units are aligned to the corporate strategy. The Committee met on the following dates:

Table 7: Attendance of Human Resource and Corporate Services Committee meetings 2010/11

Name	17 May 2010	27 Jul 2010	16 Nov 2010	16 Feb 2011
Ms Z Mdhladhla (Chairperson)	✓	✓	✓	✓
Ms T Mpumlwana	✓	Apology	✓	✓
Ms T Nkamba- Van Wyk	Apology	✓	Apology	✓
Mr K Tiya	✓	✓	✓	✓
Ms P Radebe*	✓	✓	✓	✓

* Ex officio member

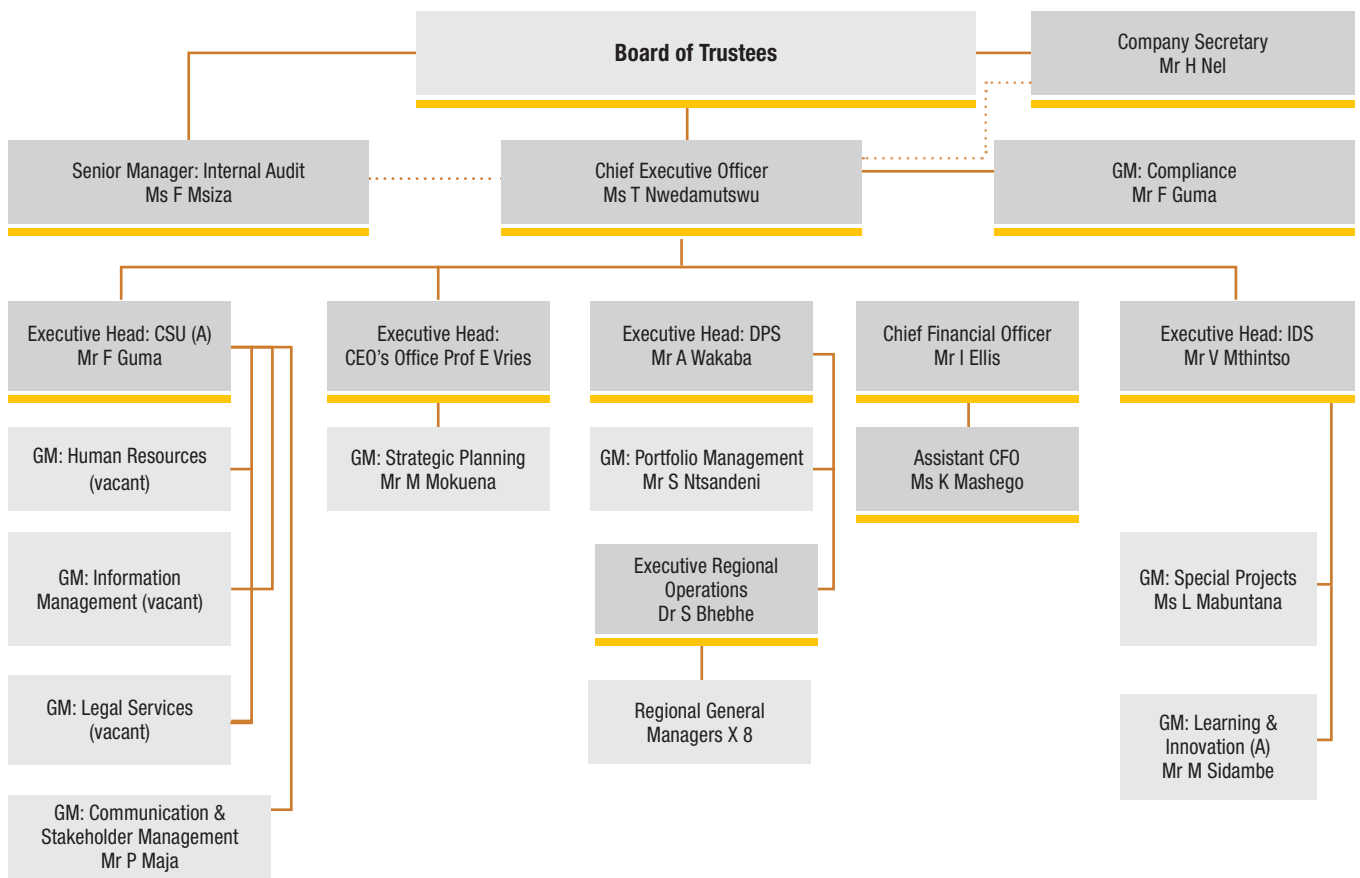
Remuneration Committee

The Committee comprises four Chairpersons of the Board Committees and is chaired by the Chairperson of the Board. The CEO attends all the meetings of the Committee by invitation and for specific issues. The primary role of the Committee is to recommend for approval the remuneration of the CEO, Executives and General Managers to the Board. Three meetings were held, during the 2010/11 financial year:

Table 8: Attendance of Remuneration Committee meetings 2010/11

Name	14 May 2010	1 Dec 2010	17 Feb 2011
Ms P Radebe (Chairperson)	✓	✓	✓
Ms G Downing	✓	✓	✓
Ms Z Mdhladhla	✓	✓	✓
Dr M Tom	✓	Apology	✓
Ms N F T Mpumlwana	NA	✓	NA

High-level organogram



Executive committee



Ms Thembi Nwedamutswu
Chief Executive Officer



Prof Edith Vries
Executive Head:
Office of the CEO



Mr Fikile Guma
Acting Executive Head:
Corporate services



Mr Ayanda Wakaba
Executive Head:
Development
Programme Services



Mr Vukani Mthintso
Executive Head:
Integrated Development
Services



Dr Stanley Bhebhe
Executive: Regional
Operations



Mr Ian Ellis
Chief Financial Officer

Unit highlights

Office of the Chief Executive Officer



Prof Edith Vries – Executive Head: Office of the CEO

The Office of the Chief Executive Officer (OCEO) is the custodian of corporate strategy, organisational policies, tactical and strategic stakeholder relations, and institutional and operational integrity. In undertaking this role the Office of the CEO houses Strategy and Policy, Compliance and Risk, Secretariat, International Relations and Strategic Stakeholder Relations.

The Office of the CEO, during the reporting period, maintained the relevance of mandate of the organisation by facilitating the finalisation of organisational strategy and business planning in line with public sector policies including the National Treasury Strategic Planning Guidelines and the Government Wide Monitoring and Evaluation Framework. This, together with the development of the IDT's Business Case, facilitated the organisation's long-term financial and operational sustainability as well as a R150 million Treasury allocation for the 2011/12 financial year. In pursuing strategic partnership and potential business growth areas the Office of the CEO facilitated several political stakeholder engagements at all spheres of governance as well as at an international level. These included the IBSA Dialogue forum, the International Conference on the African Women's Decade, 3rd World Congress of the International Alliance of Women, and several SEED Board meetings and engagements. These local and international engagements had a direct correlation in terms of generating approximately R740 million in partnerships and/or contracts.

In providing an enabling environment as the principal custodian of the organisation's policies, the Office of the CEO facilitated the approval of 18 policies. These were complemented by analysis and strategic advice in relation to broad public policies including the Job Access Strategic Framework on the Employment and Retention of Persons with Disabilities, which enabled the organisation to meet its Employment Equity targets in relation to the employment of people with disabilities.

In creating an environment conducive to transformation, the Office of the CEO facilitated several management and Board level strategic sessions, which were complemented by CEO-led staff interactions in the context of the IDT's transformation project.

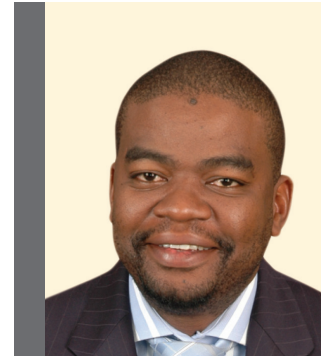
The CEO's office also laid the foundation for a transformative organisation in action through the incubation of strategic and Greenfield projects.

Operations

National office



Mr Ayanda Wakaba
Executive Head: DPS



Mr Vukani Mthintso
Executive Head: IDS

The IDT National Operations are constituted by two functional areas which comprise Development Programme Services (DPS) and Integrated Development Services (IDS). Through the operations integration model, the functional areas co-ordinate operations which are located in regions whilst ensuring service excellence, norms and standards for national programmes and projects. During the reporting period the functional areas were led by two Executives under the operational purview of an interim Chief Operations Officer (COO) who was responsible for operational co-ordination, integration and delivery.

During the reporting period, national operations included the co-ordination of the delivery of social infrastructure which is constituted by facilities, mechanisms and networks which ensure that communities are prepared to own, manage, and sustain localised development initiatives. In facilitating these developments, national operations co-ordinated and ensured quality delivery of key national programmes including constructing facilities in the education, healthcare, and justice sectors. These were complemented by national programmes in the broad public sector including the Comprehensive Rural Development Programme (CRDP), Expanded Public Works Programme (EPWP), Rural Household Infrastructure Programme, Rainwater Harvesting Programme, Food for Waste, Working for Water Programme, and Operation Vuselela, all of which were delivered in partnership and/or on behalf of various national departments.

Highlights

During the year under review the national operations co-ordinated programme expenditure exceeding R2 billion. This represents an increase of approximately 38% when compared to the previous year. Other highlights for the year included:

- Significant improvements in the capacity of regional offices as evidenced by the improved performance in the current financial year particularly in programme delivery
- Impressive growth in organisation's business portfolio secured for the following year as evidenced by the increase in the 2011/12 business portfolio to approximately R3,5 billion as compared to R2,5 billion in the 2010/11 financial year
- Review of the core business delivery model resulting in the establishment of a single Operations Business Unit (OBU). This is expected to contribute positively to the continued quest of the organisation for seamless integration, effective co-ordination and better regional office support.

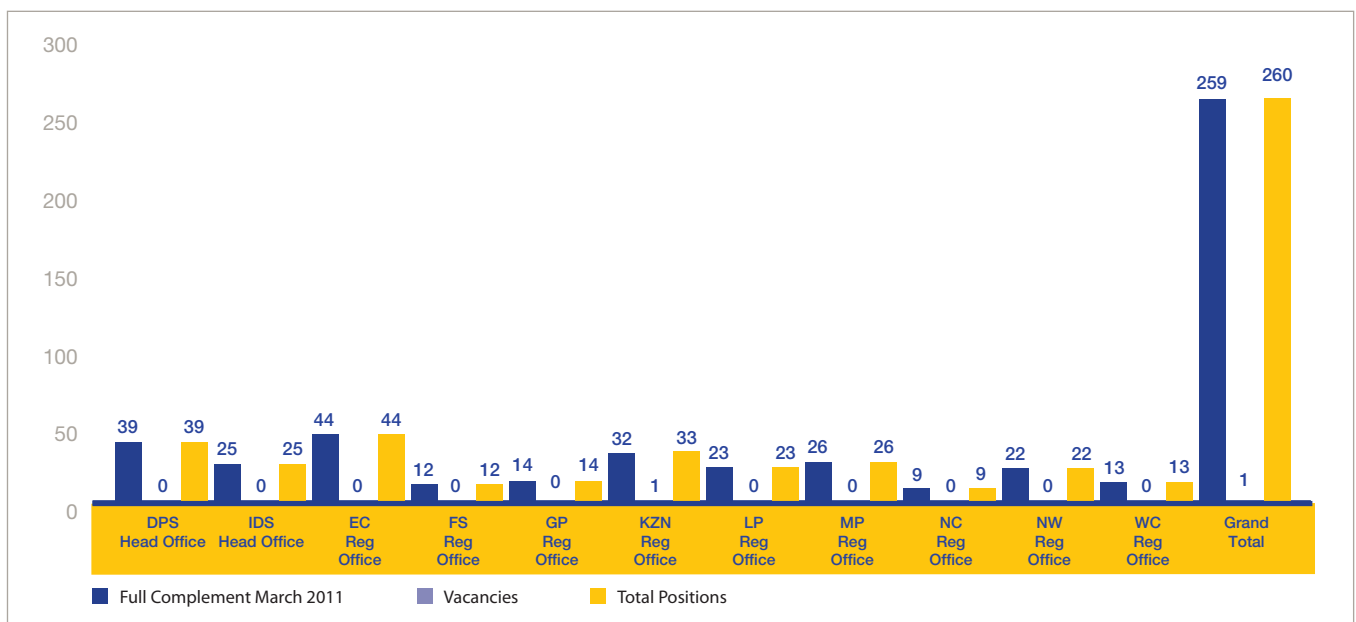
National operating environment

While the reporting period has been characterised by a notable growth in programme turnover, expenditure and diversification of the unit's portfolio of programmes, the period has also been plagued with challenges. These largely lie outside the sphere of the organisation's direct influence. The key challenges faced were related to the global economic crisis which resulted in shrinking of public revenues thus translating to a marked inability of client departments to transfer funds to the IDT.

The total operational staff complement for the 2010/11 financial year was 271 personnel at an occupancy rate of 98,1% with five vacancies against approved positions. The operations staff capacity breakdown is shown in the graphs below:

National operations also facilitated the allocations and utilisations of various IDT provincial budgets which include the overhead, programme and transformation budgets.

Figure 2: Operations staff occupancy levels 2010/11



The year ahead

In support of the organisational mandate, the Unit will focus its energies on pursuing better development impact in all programmes implemented by improving operational efficiencies. The following are priorities in the short term:

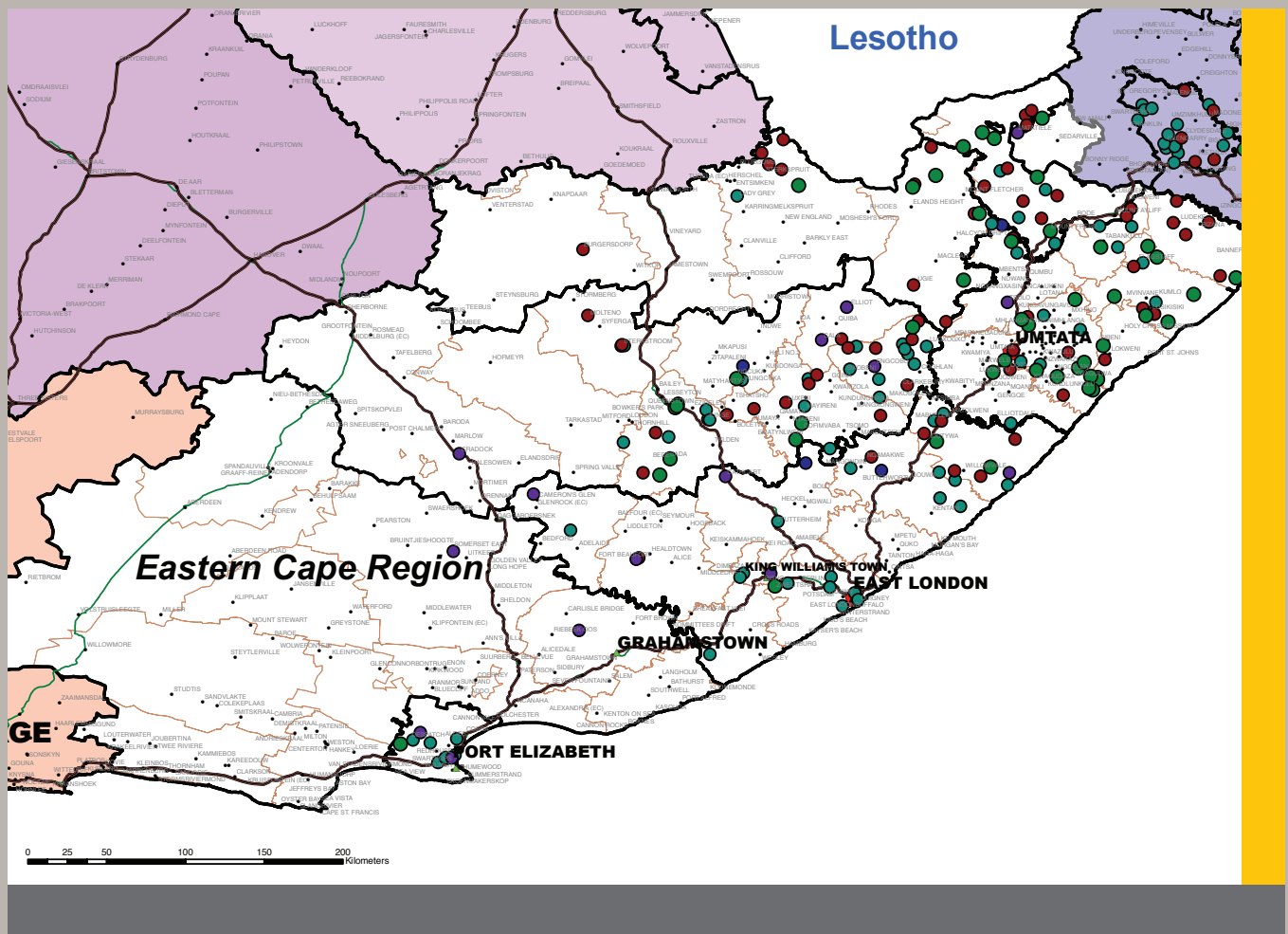
- Entrenchment of Performance Information Management systems
- Further diversification of programmes portfolio
- Internalisation and implementation of broader organisational transformation process outcomes
- Strengthening of client relations management function
- Building and strengthening relations with municipalities
- Improving efforts to support government in job creation

Eastern Cape regional review

“Our principal task as this present generation is not only to inherit the past, but to shape the future for the benefit of the next generation.”

Eastern Cape Premier Noxolo Kiviet, State of the Province Address, 19 February 2010

Location of the IDT projects





Mr Xola Nkwali – Regional General Manager

Operations overview

The Eastern Cape, given its relatively higher poverty rate, rural dimensions and high potential, continues to be one of the priority provinces for national government and the IDT. This is best displayed by the development-related indicators such as the United Nation's adopted Human Development Index which placed OR Tambo District and Ntabankulu Local Municipalities amongst the poorest in the country with a comparative index to Lesotho and Swaziland. Whereas Eastern Cape is home to about 15% of the country's population, it only accounts for about 7% of South Africa's GDP and it remains the second poorest province in South Africa.

Consequently the annual turnover target for the IDT Eastern Cape was R600 million but due to Provincial Government budget limitations the Eastern Cape IDT was only able to secure a turnover of R367 million. These limitations could be viewed as a direct effect of the global recession which, amongst others, saw only half of the R5 billion targeted investments being attained by the Provincial Government.

Overall, due to infrastructure backlogs experienced by the Eastern Cape, over 80% of its programme delivery was directed towards infrastructure delivery for the social sector. Programme expenditure for the period under review was R197 million against the annual target of R450 million. Going forward, the Eastern Cape regional office will explore new ways of generating business whilst also maintaining a more balanced portfolio with high social outcomes and values.

In relation to the attainment of sustainable livelihoods through people centred development, the Eastern Cape regional office supported several community-led development projects including the Baziya Bee-Keeping Project in the King Sabata Dalindyebo Municipality.

These community initiatives were complemented by the conclusion of four baseline studies in four communities and concluded government contracts which (amongst others) resulted in the completion of 153 classrooms which contributed to the inclusion of 39% youth project participants (against a set target of 15%).

With regard to pioneering innovative development solutions, the Eastern Cape regional office began employing alternative construction methodologies in 10 schools as directed by the Minister of Public Works. In seeking to ensure economic empowerment of marginalised groups and individuals the Eastern Cape regional office partially directed its R195 million public mandated expenditure towards six women contractors whilst creating 7 136 job opportunities (against a set target of 13 532 jobs). The underachievement was largely due to not securing the targeted R600 million public sector contracts; instead the secured contracts resulted in achieving 510 873 work days.

In seeking to utilise resources entrusted to it in an effective and efficient manner, the Eastern Cape regional office maintained a below 20% efficiency ratio whilst collecting a management fee of R6,1 million in the year under review. Key concerns for the Eastern Cape include the attainment of an efficiency ratio below 10% whilst ensuring speedy transfers from client public sector departments so as to ensure quicker payment turnaround times.

The Provincial Department of Education is currently implementing 15 public sector programmes. The Education portfolio, which has various sub-programmes, includes the provision of 400 temporary classrooms to 86 schools and roof repairs in 116 schools. During the year under review, 153 classrooms were completed, roofs were repaired in 115 schools and 134 schools deemed inappropriate structures and/or mud schools were assessed. In addition, the following projects were undertaken:

LONMIN Partnership

In an attempt to address rural development which would benefit retired mine workers and their families in the Eastern Cape, the IDT entered into a partnership agreement with LONMIN Platinum Mines. 225 rainwater tanks and stands were handed over to local contractors and six of the 12 targeted school ablution facilities in the Alfred Nzo District Municipality are under construction. Additionally the Siliindini bridge was handed over.

Eastern Cape regional review continued



Cofimvaba Senior Secondary School



Computer centre at Cofimvaba Senior Secondary School

Extension and renovations of Umzimvubu Local Municipality offices

By the end of the year under review, plans were afoot to appoint a contractor to construct additional offices which will include Council Chambers for the Umzimvubu Local Municipality in Mount Frere.

Rainwater Harvesting Programme

Through the national Memorandum of Agreement (MoA) with the national Department of Water Affairs (DWA), the Eastern Cape has, in the reporting period, delivered and installed rain water tanks in 40 households in Kliplaat in the Ikhwezi Local Municipality.

Infrastructure for recreation, arts and culture

Through a Programme Implementation Agreement (PIA) to the value of R1,7 million with the Eastern Cape Department of Sports, Recreation, Arts and Culture (DSRAC), the completed Bumbane Cultural Village Hall received further upgrades and a contractor was appointed to complete the guardhouse and paving.

National security infrastructure

The IDT was contracted by the Department of Justice and Constitutional Development (DOJ&CD) to install security systems in courts throughout the country. By the end of the 2010/11 financial year, the IDT Eastern Cape was operating in seven such sites including: Port Elizabeth Magistrate Court, Port Elizabeth High Court, Uitenhage Magistrate Court, East London Magistrate Court, Mdantsane Magistrate Court, Mthatha Magistrate Court and the Mthatha High Court. At the close of the financial year the Port Elizabeth Magistrate Court was 98% complete with the remaining courts being at the surveying stage and due for completion in the 2011/12 financial year, assuming receipt of heritage site approvals from relevant authorities.

Working for Water Programme

The Eastern Cape office, through a PIA with the Department of Environmental Affairs, has undertaken work totalling R22,7 million expenditure contributing an additional 1 273 work opportunities and 75 413 person days.

Operation Vuselela

The programme forms part of the Working for Water Programme and is delivered in partnership with the Department of Defence wherein R837 000 has been expended for land clearance, resulting in the creation of 39 jobs translating to 1 784 person days.

Food for Waste Programme

The Food for Waste Programme in the Eastern Cape, which is in its second phase, has been extended from the national launch site in Kokstad to Mhlontlo and Umzimvubu Local Municipalities during December 2010. Through its objectives of providing a clean and healthy environment to needy families, the programme has reached 203 beneficiaries in 4 000 households in the Eastern Cape. The programme will expand to four additional local municipalities, namely Baviaans,



EPWP Food for Waste – Mhlontlo Municipality



EPWP Food for Waste – Mhlontlo Municipality

Inxuba Yethemba, Mbashe and Ingquza Hill, in the 2011/12 financial year.

Rural Development Programme

The IDT Eastern Cape wound up activities relating to the erstwhile Integrated Sustainable Rural Development Programme (ISRDP) in Alfred Nzo, Chris Hani, OR Tambo and Joe Gqabi (Ukhahlamba) District Municipalities. Related activities included local economic development plans, investment promotions, and community-based planning. In winding up the ISRDP-related operation the IDT Eastern Cape began influencing the implementation and outlook of the Comprehensive Rural Development Programme (CRDP) as co-ordinated by the Department of Rural Development and Land Reform (DRD&LR).

The CRDP pilot site is in the Mhlontlo Local Municipality. The IDT Eastern Cape facilitated the planning for the surfacing of internal roads in Tsolo and Qumbu towns. In line with the objective to ensure a shared benefit and access to the 2010 FIFA World Cup™, the IDT Eastern Cape facilitated a soccer coaching clinic which was attended by the Director-General of the Department of Rural Development and Land Reform at the Upper Mjika Junior Secondary School in Mqobiso where 46 learners were work-shopped on football and life skills. One local coach and one talented footballer were identified for trials with a Premier Soccer League team. Village Viewing Sites were set up by the IDT Eastern Cape on behalf of the Department of Rural Development and Land Reform to ensure that rural citizens were able to view all 2010 FIFA World Cup™ games. These sites were set up in the Upper Mjika Junior Secondary School, Qumbu Municipal Offices, Tsolo Town Hall and Ngxakolo Village and a large audience viewed the games. The IDT Eastern Cape will continue to work with councils and stakeholders and the DRD&LR to identify and implement projects as well as new sites.

Nyandeni Development Trust

The Kellogg Foundation partnership, which is in its third and final year of implementation, focused on refining institutional arrangements, capacity enhancement and project implementation for the Nyandeni Development Trust under the tutelage of the King of the Amampondo Ase Nyandeni His Majesty King Ndamase Ndamase. The remaining US\$50 000 will be utilised to consolidate the project in the new financial year.

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

The IDT Eastern Cape contracted nine Non-Profit Organisations (NPO) to deliver 4 122 work opportunities which was above the targeted 3 532 opportunities. The following NPOs were contracted, in the respective district municipalities and project types:

Table 9: Eastern Cape EPWP NSS projects 2010/11

District	NPO name	Project types
Alfred Nzo	Sinethemba Zanokhanyo	Home community based care and environmental projects
Chris Hani	Regional Educare Centre	ECD and environmental projects
Amathole	Border Rural Development We Care Ministries	Home community based care and environmental projects
OR Tambo	OR Tambo Disabled People's Organisation Themba Community Development	Skills development and arts and crafts
Nelson Mandela Bay	Emmanuel Haven Ebenezer Centre	Home community based care and community works

Eastern Cape financial overview

The effects of the recession adversely affected the extent to which the Eastern Cape regional office could attract public sector programmes for joint implementation. Given the provincial priority to develop and maintain infrastructure as a contributor to unlocking the province's potential, the IDT was able to secure an 86%/14% split with regard to infrastructure and social development. During the financial year the IDT Eastern Cape managed the following public sector programmes and budgets as set out in Table 10:

Eastern Cape regional review continued

Table 10: Eastern Cape public mandated programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
Schools building programme	86	290 789 314	135 021 359	46
Health infrastructure programme		9 293	–	–
LONMIN		6 055 753	2 717 834	45
Dept of Justice – Disabled facilities		1 509 638	216 075	14
Sports, recreation, arts and culture		1 281 117	669 984	52
Khanyisa Ntsimbi		184 055	99 815	54
DOJ&CD NSI		11 008 000	10 814 418	98
Total infrastructure			310 837 170	149 539 485
Social development programmes				
Food for Waste	14	1 339 668	1 286 419	96
EPWP P2		25 674 455	22 240 769	87
CRDP		–	–	–
Nyandeni Dev supp		–	–	–
Operation Vuselela		1 416 344	841 966	59
Working for Water		23 365 395	22 703 851	97
Total social development			51 795 862	47 073 005
Total public mandated programmes	100	362 633 032	196 612 490	54

The IDT Eastern Cape has also sought to complement and enhance public sector mandated programmes by focusing on community development and capacity enhancement through effective and efficient systems and business-related processes. To this end, the IDT Eastern Cape utilised funds gained from management fees and allocations from the national IDT. In summary expenditure in the 2010/11 financial year was:

Table 11: Eastern Cape operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
27 222 661	27 191 062	99,9

Eastern Cape Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was 44 and this number was maintained until the end of the financial year, indicating a full occupancy rate. The Eastern Cape staff have a collective work experience of over 270 years with an average of four years spent at the IDT, and seven of the staff have spent 10 years or more at the IDT. The IDT Eastern Cape staff possess diverse qualifications including: civil engineering, accounting, quantity surveying, industrial relations, social work, public administration and philosophy.



Phakamisa Primary School in Zingquthu village



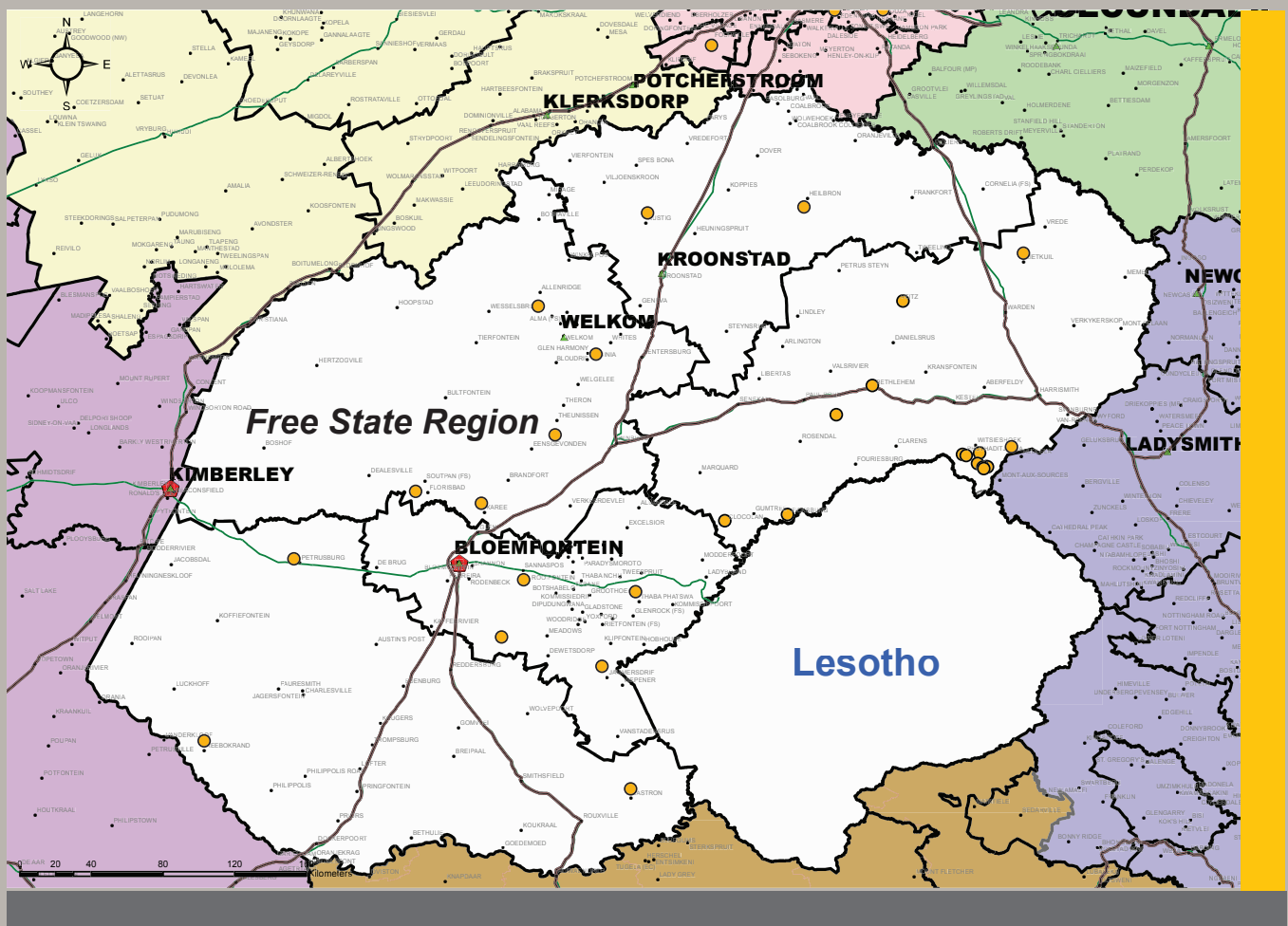
Sports centre at Cofimvaba Senior Secondary School

Free State regional review

“Our primary development objectives are to: stimulate economic development; develop and enhance infrastructure for economic growth and social development; reduce poverty through human and social development, ensure a safe and secure environment for all people of the province; and promote effective and efficient governance and administration.”

Revised Free State Provincial Growth and Development Strategy, 2009

Location of the IDT projects





Mr Andre Malgas – Regional General Manager

Operations overview

The Free State Province generates approximately 12% towards domestic agriculture and is richly endowed with minerals, producing approximately 20% of international gold. Despite this, approximately 60% of the population live below the MDG income poverty line of \$2 per day. The situation of inequality in the province was compounded by the energy rationalisation in 2009 and economic crisis which contributed to large scale retrenchments in key provincial sectors such as mining. Consequently, Free State provincial priorities include fighting hunger and poverty as anchored by the Operation Hlasela Campaign.

Consequently, the R62,5 million annual turnover of the Free State regional office is focused on the Expanded Public Works Programme (EPWP) Non-State Sector (NSS) which supports local civil society organisations as well as the Free State Multi Drug Resistant (MDR) Tuberculosis (TB) Clinic project. Given its needs and priorities the IDT Free State has maintained a balanced portfolio of 64%/36% in relation to infrastructure and social development public mandated programmes.

With regard to the attainment of sustainable livelihoods through people centred development, the Free State regional office supported Local Area Planning (LAP) in the Kopanong and Letsemeng Local Municipalities and a Municipal Support Programme (MSP) in Mohokare Local Municipality, all of which are located in the Xhariep District. Through the Mohokare Local Municipality Support Programme, 10 co-operatives were established and 108 community members were trained in co-operative and corporate governance as

well as basic business skills. This training was complemented by further accredited training of 120 EPWP NSS NPO participants, in areas such as business skills, marketing, project and financial management. Two of the accredited NSS NPOs (Tswelopele Rural Development Network and Progressive Youth) were nominated and shortlisted for the EPWP KAMOSOS Excellence Awards.

In relation to pioneering innovative development solutions, the Free State regional office supported the Free State Victim Empowerment Programme (VEP) and the Comprehensive Rural Development Programme (CRDP) which formed part of the R63,1 million provincial public mandated portfolio. These efforts were complemented by the participation of Free State regional office in initiatives that are aimed at integrating government programme delivery and community participation. These included the EPWP Provincial Steering Committee, the completion of the Diyatalawa Access Road, and the Uniting for Cure/Cures Launch.

In ensuring that the resources entrusted to it are efficiently and effectively utilised, the Free State regional office maintained an efficiency ratio which was just over 10%. Key concerns for the IDT Free State include the expansion and maintenance of a respectable public mandated portfolio and the maintenance of an acceptable budget variance.

The Free State regional office is currently implementing seven public sector programmes. The National Security Infrastructure (NSI) and the EPWP Non-State Sector account for 36,9% of the total public mandated portfolio, making them the main revenue and cost drivers for the IDT Free State. In total the Free State regional office has trained 108 community members and provided work opportunities to 3 106 people. Of these, 52% were women, 47% were young people and 2% were people with disabilities. The Free State regional office implemented the following key public mandated projects and programmes:

Kopano Multi Drug Resistant (MDR) Tuberculosis (TB) Clinic

The Kopano MDR TB Clinic is positioned to contribute to reducing the incidence of MDR TB amongst pulmonary TB patients to the targeted 2% in the Welkom area. The Free State regional office was appointed as an implementing agent for the over R39 million construction and revamp project. The project was 95% complete by the end of the financial year.

National security infrastructure

The IDT is contracted by the Department of Justice and Constitutional Development (DOJ&CD) to install security systems in courts throughout the country. The Free State regional office is currently operating in seven such sites including: Bloemfontein High Court and the Bloemfontein,

Free State regional review continued

Thaba Nchu, Welkom, Harrismith, Virginia and Phuthaditjhaba Magistrate Courts. By the end of the financial year, the Bloemfontein Magistrate Court was close to completion. Initial work was being undertaken in the Bloemfontein High Court, Thaba Nchu and Welkom Magistrate Courts. Site surveys for the Virginia and Phuthaditjhaba Magistrate Courts will be undertaken in the first quarter of the 2011/12 financial year.

Provision of access to justice facilities for people with disabilities

In line with the objective of access to justice and the promotion of constitutional rights to all persons, the Free State regional office after completing all projects related to improving access to justice facilities for persons with disabilities initiated the closure of projects. The project saw the construction of 111 access ramps and 52 disabled toilets and signage to 40 courts.

Victim Empowerment Programme (VEP)

The Free State regional office supported the Free State Department of Police, Roads and Transport's VEP by facilitating the contracting and payment of 180 volunteers located in selected police stations. These volunteers were identified and trained by the Department with the aim of bolstering capacities to handle victims of domestic and partner violence. The Free State regional office will, in the new financial year, in line with its obligations, assist the Department in expanding the project and recruiting more volunteers.

Rainwater Harvesting Programme

In implementing the national agreement on rainwater harvesting with the Department of Water Affairs, the Free State regional office was provided with a R2 518 500 budget to install rainwater harvesting tanks in Maluti-a-Phofung, Dihlabeng and Ngwathe Local Municipalities. A total of 365 households as well as local contractors stand to benefit from the initiative whose agreement was concluded during February 2011.

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement between the IDT and the Department of Public Works, the Free State regional office contracted 12 Non-Profit Organisations (NPO) to deliver a targeted 2 400 work opportunities. The NPOs exceeded the target by 600 work opportunities, indicating the high potential of the sector. The following NPOs in the respective municipalities and sectors were contracted (refer Table 12):

Table 12: Free State EPWP NSS projects 2010/11

District	NPO name	Project types
Xhariep DM	Kutlwesiso Organisation	Environmental protection
	Tswelopele Rural Development	Environment, health and hygiene
	Women Support Group	Environment, food security, tourism and infrastructure development
Thabo Mofutsanyane DM	Pheko Ka Kopanelo	Waste management and income generation
	Itekeng Disabled and OVC	Water, sanitation, health and hygiene
	Education With Enterprise Trust	Environmental protection
Motheo DM	Good Foundation Organisation	Recycling and food security
	Progressive Youth Development	Food security and income generation
Fezile Dabi DM	Regeneration of the Lost Generation	Food security, income generation and environmental management
	Thabang Society	Food security and income generation
Lejweleputswa DM	Thabong Youth Development Centre	Food security and income generation
	Grace and Mercy Ministries	Food security and sport and recreational

Comprehensive Rural Development Programme (CRDP)

As per national agreement the IDT Free State implemented key CRDP projects in the Diyatalawa Pilot Site and other rural development provincial priority localities. Key projects implemented include:

Diyatalawa road project

The internal 1,8km road was completed during June 2010.

Alternative energy for home and recreational facilities utilisation

Since only 23 houses were completed in the pilot site, the targeted installation of solar panels to 50 households could not be met. The remaining 27 households will be prioritised upon the completion of construction.

2010 World Cup public viewing areas

In line with the objective to take the 2010 FIFA World Cup™ to the people, two village viewing sites were implemented in the Diyatalawa and Jacobsdal areas, thus ensuring that citizens of these communities viewed all World Cup games. The planned Soccer Coaching Clinic in Jacobsdal was not delivered due to poor community attendance. The viewing equipment was handed to the communities to encourage further recreational opportunities post the World Cup.

Free State financial overview

As highlighted, the Free State regional office faced a challenge of attracting sufficient provincial public sector programme implementation; consequently in the year under review the regional office focused on implementing national programmes and institutional capacity enhancing initiatives at a community level. The Free State regional office was able to maintain a balanced portfolio of 64%/36% in relation to infrastructure and social development public mandated programmes. The IDT

Free State managed the public sector programmes and budgets as set out in Table 13 below:

Free State Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was 12 and this number was maintained, indicating a full occupancy rate in relation to approved positions. The Free State staff have a collective work experience of over 64 years with an average of one year six months at the IDT and one staff member having served the IDT for over eight years. The IDT Free State staff possess diverse qualifications including; accounting, architectural sciences, civil engineering, human resource management and business administration.

Only one employee was appointed in the Free State during the period under review. In an effort to address the skills shortage in the development sector, project management, and general leadership training was undertaken in the Free State which benefited seven staff members.

Table 13: Free State Public Mandated Programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
FS DOJ Provision of access facilities for the disabled	64	479 000	33 001	0,7
FS Operation Metsi		83 363	51 889	62,2
FS Kopano MDR Clinic		16 851 200	23 581 184	139,9
FS Rainwater harvesting programme				0,0
FS DOJ&CD – NSI		23 256 765	15 431 727	66,3
Total infrastructure		40 670 328	39 097 801	96,1
Social development programmes				
EPWP Phase II Non-State Sector 2010/11	36	18 250 155	16 965 842	92,9
VEP		1 500 000	853 200	56,9
CRDP Diyatalawa		2 684 920	2 571 572	95,8
Total social development			22 435 075	20 390 614
Total public mandated programmes	100	63 105 403	59 488 415	94,3

The Free State regional office complemented the public sector mandated programmes by focusing on the Municipal Support Programme (MSP), Local Area Planning (LAP) and the training of cooperatives. In summary expenditure in the 2010/11 financial year was:

Table 14: Free State operations budget 2010/11

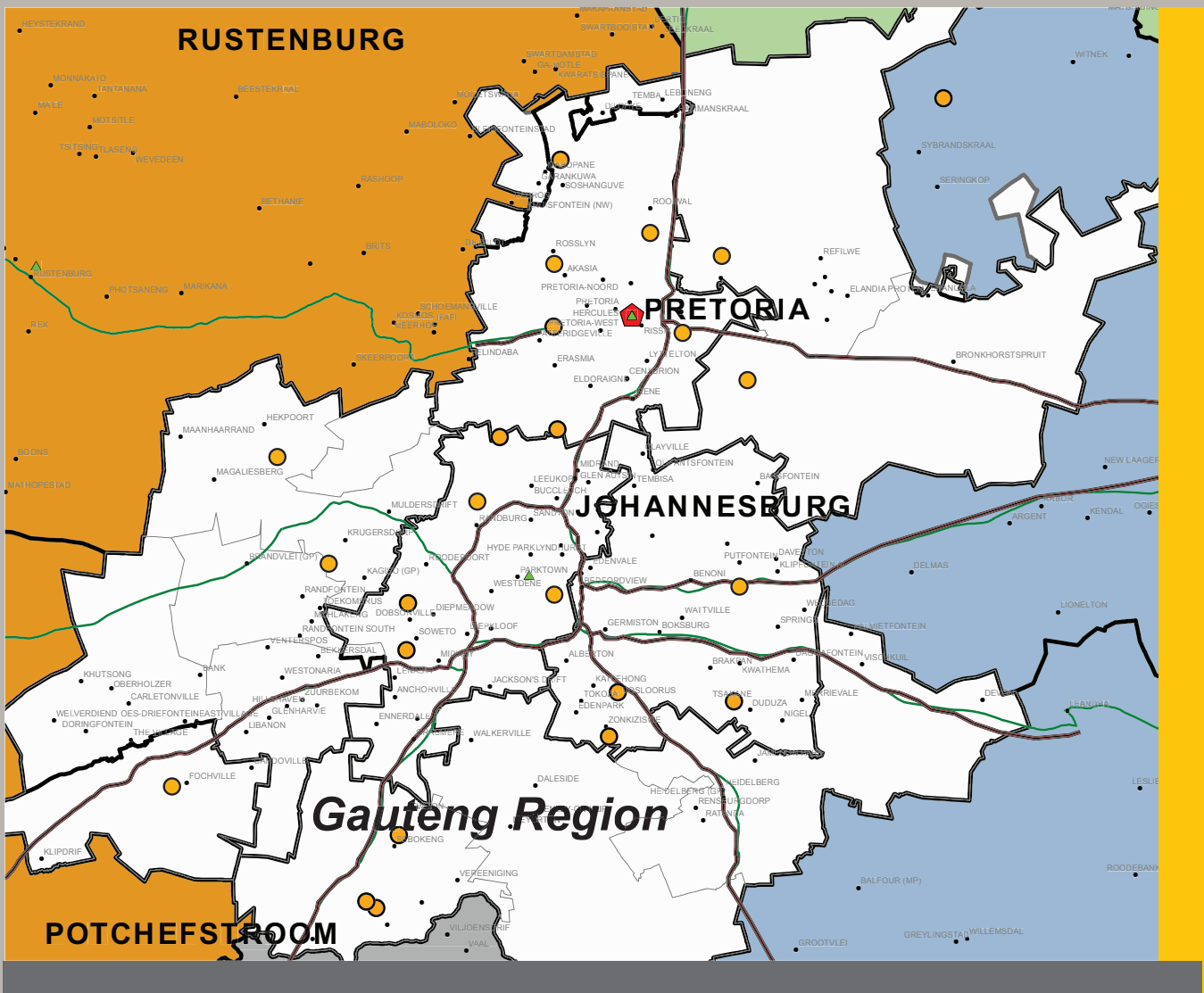
Budget (R')	Expenditure (R')	% spent
8 848 628	7 709 469	87

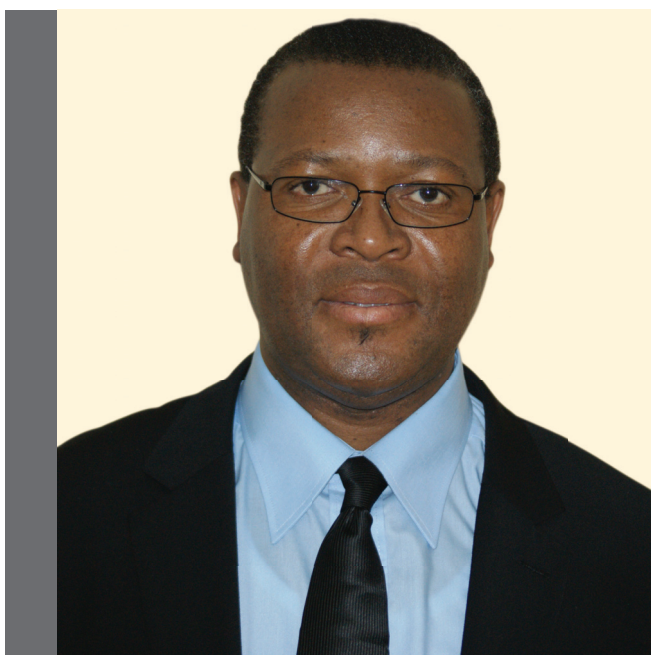
Gauteng regional review

“Vision 2055...is the path that all of us must walk, embrace and help to shape so that Gauteng can be in the league of the best Globally Competitive City Regions of the world. Through Vision 2055 we envisage to propel the growth and development of Gauteng to new and greater heights [to effectively do so]... Everyone should be afforded the opportunity to claim their stake...so that [it is] driven and owned by all.”

Premier N Mokonyane, State of the Province Address, 21 February 2011

Location of the IDT projects





Mr Mojapele Moremi – Acting Regional General Manager

Operations overview

Gauteng Province constitutes 1,4% of South Africa's land mass but it contributes 33% to the national economy and 10% to the Gross Domestic Product (GDP) of the entire African continent. With 40% of the world's gold reserves, Gauteng is a place of opportunities for its 11 million residents, of which 97% are urbanised. Despite these opportunities, the 2009 mid-year population estimates showed a 27,1% unemployment figure for the first quarter of 2010 and Gauteng shared just under 11% of the country's poverty levels. There are various reasons raised for this conundrum, amongst these is the large scale migration into the province which places undue strain on planning and service delivery. To address this, the province is expanding its new growth path adopted Vision 2055. The Vision seeks to integrate medium and long-term plans towards a more liveable, equitable, accessible, sustainable, prosperous and competitive province.

In contributing towards realising the objectives of Vision 2055 as well as provincial priorities on infrastructure and job creation, the IDT Gauteng managed a public sector portfolio of over R130 million in the 2010/11 financial year. Given the priority placed on access to education and job creation by the National and Provincial Government, over 54% of the turnover secured was for the Gauteng School Building Programme and less than 30% was for job creation initiatives in the EPWP, Operation Vuselela and Working for Water programmes.

With regard to the attainment of sustainable livelihoods through people centred development, the Gauteng IDT supported the Metsweding District Municipality as part of the IDT's Municipal Support Programme and plans are underway to provide the same support to the West Rand District Municipality. These

efforts were complemented by the IDT Gauteng's hosting of a development dialogue on "Job Creation through the New Growth Path". In total, the projects run by IDT Gauteng were constituted by 57% women, 52% young people and 2% people with disabilities, thus ensuring that the most vulnerable and previously marginalised are gradually brought into the mainstream of the Gauteng economy.

In seeking to pioneer innovative development solutions, the IDT Gauteng was negatively affected by late payments and approvals as well as budgetary constraints faced by key client departments. Nonetheless innovations and progress were recorded in terms of the implementation of the Working for Water programme and the Pilot Schools-Based Food Garden programme.

In ensuring that the resources entrusted to it are efficiently and effectively utilised, the IDT Gauteng recorded an impressive budget variance of 3% and an on-time project completion rate of 81%. Key concerns for the IDT Gauteng include the above 3% of corporate target efficiency ratio as well as on-time transfers and documentation conclusion from client departments.

The IDT Gauteng is currently implementing the following nine public sector programmes:

Gauteng School Building Programme

Gauteng contributes approximately 5% of the national backlog for school infrastructure, consequently the IDT Gauteng has assisted the Gauteng Department of Education in completing a cumulative 28 schools, during the financial year 2010/11. The R51,3 million programme experienced payment approval delays resulting in low expenditure and transfers to contractors. Remedial was also completed on the Zonkezizwe Senior Secondary, Hammanskraal Primary and Buhle Park Primary Schools during the 2010/11 financial year. At the close of the 2010/11 financial year, remedial work was under way at the Sebokeng, Roodekop, Rietvallei and Kagiso Senior Secondary Schools as was the case with the Diepsloot Primary School. The IDT contributed some of its own funds to the remedial work undertaken at the Rietvallei Senior Secondary School. Storm water reticulation infrastructure continues to be a challenge in township and peri-urban areas and this has caused major construction delays in certain instances as was the case with the construction of Braamfischerville Number 1 Senior Secondary and Braamfischerville Number 2 Senior Secondary schools.

Provision of access to justice facilities for people with disabilities

The IDT is contracted by the Department of Justice and Constitutional Development (DOJ&CD) to improve access in courts throughout the country. The project involved the construction of thirteen access ramps including access parking and modification of toilet facilities to accommodate people living with disabilities.

Gauteng regional review continued

National security infrastructure

The IDT is contracted by the Department of Justice and Constitutional Development (DOJ&CD) to install security systems in courts throughout the country. The IDT Gauteng is currently operating in three such sites including: Johannesburg, Pretoria and Kempton Park Magistrates Courts.

Department of Justice and Constitutional Development: Midrand Local Court tenant installations

The IDT Gauteng was contracted by the Department of Justice and Constitutional Development to put tenant installations in the Midrand Regional Court to a value of R12 million. At the close of the 2010/11 financial year the project had been put on hold due to land ownership concerns.

Refurbishment of air-conditioning of South Gauteng High Court

The IDT Gauteng was contracted by the DOJ&CD to refurbish the air-conditioning at the South Gauteng High Court. The refurbishments were completed during the 2010/11 financial year.

Working for Water Programme

The programme for the clearance of invasive alien plants as an environmental and water management concern has been in existence since 1997. The IDT Gauteng, through an R11 million allocation, has trained 577 beneficiaries against a set target of 500 people, contributing 1 380 jobs and 91 080 person days.

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement between the IDT and the Department of Public Works, the IDT Gauteng contracted nine Non-Profit Organisations (NPO) to deliver a targeted 1 600 work opportunities. The NPOs exceeded the target by 47 work opportunities, indicating the high potential of the sector; 32% of expenditure by the programme reached young people and 229 405 person days were attained. The following NPOs in the respective municipalities and sectors were contracted (refer Table 15):

Table 15: Gauteng EPWP NSS projects 2010/11

District	NPO name	Project types
Metsweding District Municipality	Bana Ba Tla Ja	Vegetable farming
	Ikhwezi Development Projects	Vegetable farming
	Mulungo Agricultural Co-operative	Stock, piggery, crop farming and chicken layers
	Qinisani Primary Platinum Co-operative	Stock, piggery, crop farming
Tshwane Metropolitan Municipality	Stanza Bopape	Vegetable gardening
Sedibeng District Municipality	Emthonjeni Awareness Centre	Vegetable farming
Ekurhuleni Metropolitan Municipality	Intsika Skills Beneficiation Project	Training in jewellery manufacturing
City of Johannesburg	Ujima Bakwena Worker Co-operative	School shoe manufacturing
	Carl Shaw	Gardening and house profiling

Operation Vuselela

Operation Vuselela forms part of the Working for Water Programme and is delivered in partnership with the Department of Defence wherein R4,5 million has been expended on land clearance, which has resulted in the creation of 291 jobs translating to 19 206 person days in the 2010/11 financial year.

Gauteng financial overview

The IDT Gauteng experienced challenges in terms of late payments and document approvals which in some instances resulted in the halting or cancellation of key projects. Despite these challenges, IDT Gauteng was able to contribute to the reduction of the schools backlog and the upgrading of justice facilities by maintaining a fairly balanced infrastructure and social development portfolios. During the financial year the IDT Gauteng managed the following public sector programmes and budgets (refer Table 16):



Stanza Bopape food garden in Tshwane Metropolitan

Table 16: Gauteng public mandated programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
Gauteng school building programme	71,1	51 332 682	19 250 410	37,5
DOJ facilities for the disabled		645 978	631 392	97,7
DOJ NSI infrastructure		900 000	336 155	37,3
DOJ refurbishment of air-conditioning		2 000 000	1 754 094	87,7
DOJ tenant Installations (BHIHATI)		12 000 000	2 133 141	17,8
Booyens Court			4 370 313	
Rietvallei remedials			3 281 067	
DOJ NSI			24 206 395	
Total infrastructure		66 878 660	55 962 967	83,7
Social development programmes				
Operation Vuselela	28,9	4 584 839	4 520 034	98,6
Working for Water		11 012 590	10 385 212	94,3
EPWP Phase 2 NSS		11 606 400	11 579 592	99,8
Total social development		27 203 829	26 484 838	97,4
Total public mandated programmes	100,0	94 082 489	82 447 805	87,6

The IDT Gauteng utilised funds attracted from management fees and allocations from the national IDT, in summary expenditure in the 2010/11 financial year was:

Table 17: Gauteng operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
9 367 802	9 087 603	97

Gauteng Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was 14 and at the end of the financial year there were 14 staff members, indicating a 100% occupancy rate in relation to approved positions. The Gauteng staff members have a collective work experience of over 61 years with an average of 3,5 years at the IDT and two staff members have served the IDT for over 15 years. The IDT Gauteng staff members have qualifications in accounting, administration, commerce, social work, project management and administration.

In an effort to address the skills shortage in the development sector, a total of three staff training initiatives in Gauteng were pursued in report writing, refresher construction project management and performance management. This benefited eight staff members during the financial year.

Case Study of Gauteng

EPWP Phase 2 Non-State Sector

The IDT was appointed by the national Department of Public Works as the PIA for the EPWP Phase 2 Non-State Sector. The programme is also implemented in the Gauteng region. In turn, the region supported nine community organisations ranging from Community-Based Organisations (CBOs), close corporations and co-operatives. The specific thrust of the region in supporting income generating organisations is to assist them to achieve sustainable operations. From a programme expenditure of R11 606 400 during 2010/11 financial year, a total of R11 446 793 was transferred to these organisations to subsidise their labour component. Labour subsidies help organisations to increase the number of workers. Increased employment rates have increased savings, productivity and capacity to meet market demands, whilst also growing the business.



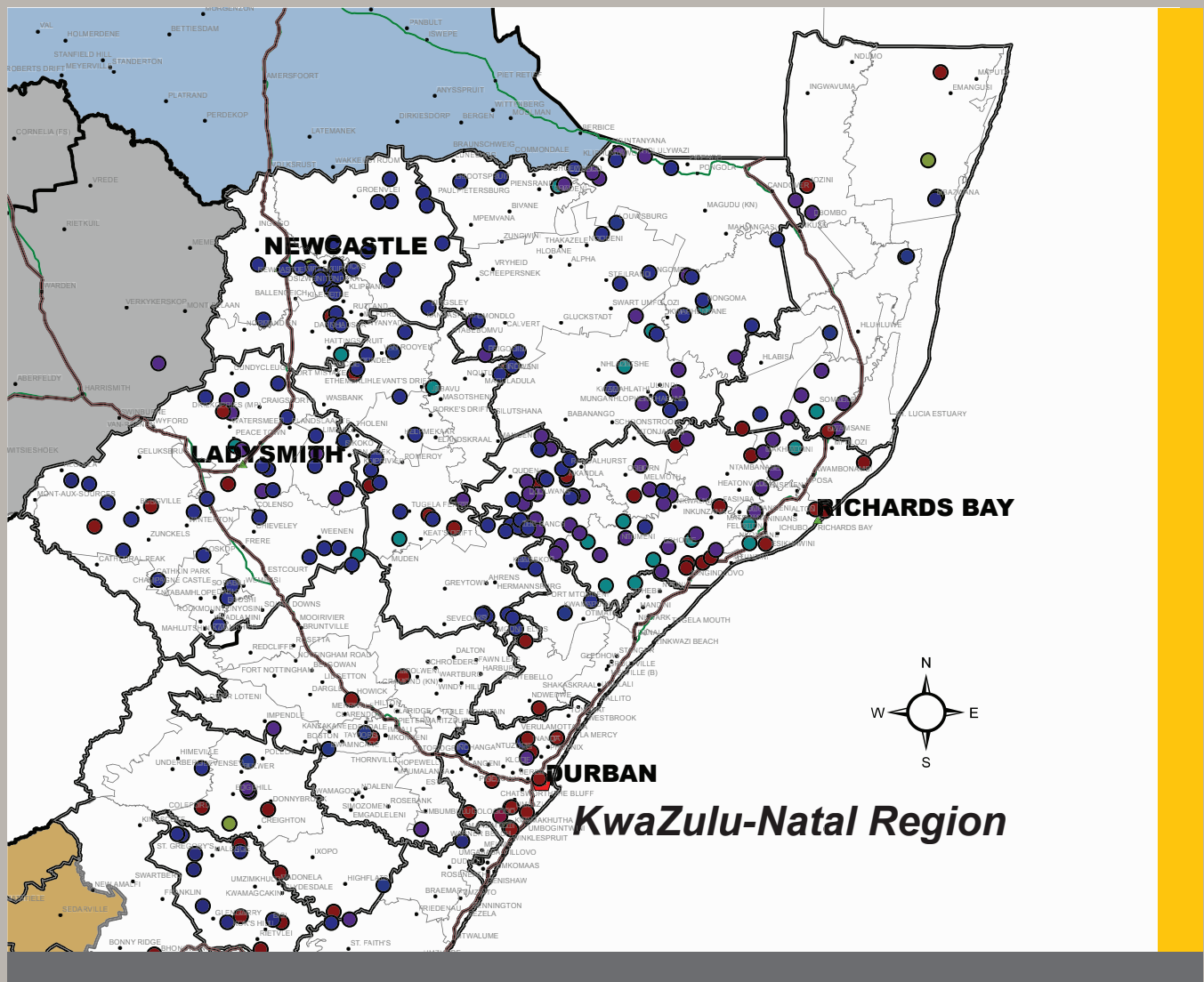
Stanza Bopape food garden in Tshwane Metropolitan

KwaZulu-Natal regional review

The task of the IDT is to “reach out from the confines of bureaucracy to ensure meaningful and sustainable economic development and growth...[in order to make] life in the rural areas a better and bearable experience.”

President JG Zuma Message of Support to the Development Week, Nkandla, 17 March 2010

Location of the IDT projects





Ms Nonhlanhla Khumalo – Regional General Manager

Operations overview

KwaZulu-Natal (KZN) is home to over 10,6 million citizens, thus constituting 21,3% of the South African population. According to the mid-year population estimates of 2010 nearly one-third of South Africa's population are younger than 15 years, the highest proportion lives in KZN at approximately 23%. General population growth trends of approximately 7% have seen the average household size increasing from 4,4 persons in 2001 to 4,5 persons in 2007, which is higher than the national average household size. Despite these growth trends the province recorded progress in key development indicators including: reducing the number of people living in informal dwellings (from 10,7% in 2001 to 8,8% in 2007) and cellular phone access in households (from 28,2% in 2001 to 71,9% in 2007).

This progress and other factors such as the 2010 FIFA World Cup™ resulted in the province experiencing a marginally above national growth rate. However, the Premier of KZN in his 2011 State of the Province Address noted that this growth was not accompanied by requisite job creation during the 2010/11 financial year. In his view a key contributing factor to this has been the global economic downturn and slower than anticipated recovery which has resulted in massive job losses. The average unemployment rate in the province was recorded at 19,7% in the third quarter of last year, with an annual total of 125 000 jobs lost in 2010. The net effect contributed to increasing the number of people who can be considered to live in poverty in the province, which at the end of 2009 could be considered to be above 50% of the provincial population with a significant proportion living in rural areas. Of all the citizens

living in rural KZN, 61,2% do not have access to electricity with 57% of them still using wood for cooking food.

Consequently, the IDT KZN focused its energies in ensuring that the province addresses its objective of eradicating the “infrastructure backlogs to promote equity... and improve access to public services throughout the province”, particularly in rural KZN and in key development sectors such as co-operative governance, education, health and welfare. The collective public mandated portfolio of IDT KZN of just over R1 billion constitutes just under half of the total IDT public mandated portfolio and is close to 10% of the R11 billion across-provincial-departments-infrastructure-development-portfolio. In line with the national and provincial priority of access to better quality education for all, 80% of this portfolio in 2010/11 was for the improvement of the provincial school infrastructure.

With regard to the attainment of sustainable livelihoods through people centred development, the IDT KZN (in partnership with the respective communities) supported the development of Local Area Plans (LAPs) in the Endumeni, Greater Kokstad, Umzimkhulu, Umdoni and Umzumbe Local Municipalities. Additionally, the Nquthu Local Municipality during the 2010/11 financial year officially adopted the LAP which had been finalised during the 2009/10 financial year. These efforts complemented IDT funding and capacity building initiatives directed at the Municipal Support Programme (MSP) in the Greater Kokstad, Umzimkhulu, Umzumbe and Edumbe Local Municipalities, the Nkandla Broiler Project, the Agriculture Mechanisation Project and the community training which falls under the Premier's Flagship Programme. In building community assets, the IDT KZN completed 346 classrooms, three healthcare facilities (Addington, Manguzi and Ngwelezane) and four community facilities in Maqongqo, Msinga Top, KwaNjoko and Nquthu. In strengthening community assets the province supported 304 co-operatives mainly through training under the auspices of the Premier's Flagship Programme. These and the Greater Sustainable Livelihoods directed portfolio have resulted in the participation of 68% women, 34% youth, and 8% of people with disabilities. The IDT KZN was not able to attract the targeted private sector and donor sector partnerships and resources but was able to continue with the implementation of the KZN Legislature and Paint Fest Initiative in 10 District Municipalities and the EThekweni Metro. Additionally a 4X4 tractor for the Greater Kokstad Local Municipality was secured from Myon Holdings.

In pioneering innovative development solutions the IDT KZN piloted a development model in the Endumeni Local Municipality, whilst utilising the approved Gateway Framework for all community mandated project submissions. In exploring innovative ways to address school nutrition and food security,

KwaZulu-Natal regional review continued

the IDT KZN implemented schools-based programmes in the Asiphephe, Re-Union, Ezibindini, Ndwakazane Combined, St. Faiths and Mangeni Primary Schools. These initiatives complemented the Premier's Flagship Programme in relation to the one-home-one-garden project. In further exploring innovations and development with its partners the IDT KZN participated in the Provincial Social Cluster and the National Youth in Agriculture and Rural Development (YARD) Steering Committee as well as the Steering Committee of the Premier's Flagship Programme.

The R1,202 billion secured in public mandated programmes is skewed towards the provision of infrastructure for the social sector but 73% (R738 million) of total spend was directed towards Black Economic Empowerment (BEE) and 22% (or R225 million) was directed towards women. In managing this public mandated portfolio the IDT KZN created 14 302 job opportunities and 3 457 EPWP work opportunities which constituted a respective overachievement of 4 302 job opportunities and 411 work opportunities. In supporting IDT projects and programmes 10 552 people were trained constituting a 528% overachievement. The collective programmes impacted on 35 518 households and rendered 943 932 person or workdays. Given the heavy infrastructure skew, the IDT KZN did not meet its targets with regard to labour spend at R42,6 million mainly due to local skills shortages in the targeted areas; however a positive participation was attained for persons with disabilities due to deliberate targeting in mainly the social development-related programmes such as the EPWP and the Premier's Flagship Programme.

In ensuring that the resources entrusted to it are efficiently and effectively utilised, the IDT KZN processed its payments within 11 days which is faster than the corporate target of 14 days. This is significant considering that the IDT KZN processed 1 381 projects to the Tender and Adjudication Committee (TAC) at 84% Right First Time (RFT) rate. The IDT KZN also collected management fees of over R25,9 million which was R6,2 million above its 2010/11 operations budget, indicating the possible sustainability of the IDT KZN. Due to the high volumes of urgent priority projects and their associated costs, the IDT KZN recorded a below corporate target budget variance of 7% but was able to maintain a positive efficiency ratio of 2,09% against a 10% corporate target.

The IDT KZN is currently implementing the following 15 public sector programmes:

Health care facilities

In line with the KZN Department of Health's 2004/05 Business Plan for Infrastructure Development (which aims at developing 636 projects, of which; 200 are hospitals, 27 are Community

Health Centres, 342 are Primary Health Care Clinics, and 67 are auxiliary service centres), the IDT KZN was contracted to complete four health facilities and three 2010 FIFA World Cup™ isolation wards during the 2010/11 financial year. The IDT KZN completed the Manguzi, Addington and Ngwelezane health facilities ahead of schedule and handed over the buildings to the provincial Department of Health. At the close of the 2010/11 financial year the additional facility in Catherine Booth was at the completion stage. The three 2010 World Cup isolation wards at Addington, Ngwelezane and Manguzi Hospitals were completed and handed over to the Department of Health during December 2010.



Catherine Booth MDR TB Hospital in Manguzi

Education and learning facilities

According to the 2000 School Register of Needs 21% of the national 2 050 classrooms backlog is attributable to KZN. Consequently the IDT KZN completed the construction of 346 classrooms on behalf of the KZN Department of Education; this constitutes 80,5% of the KZN classroom gap identified by the 2000 School Register of Needs and 17,3% of the total number of classrooms built by the province during the 2010/11 financial year. According to the MEC of Education's 2011 Budget Vote this brings the total classroom backlog down from 7 550 to 5 550 classrooms. During the financial year 2010/11 the IDT KZN spent R699 million in meeting this objective and other priority projects. This constitutes 70% of total IDT KZN expenditure and is 24% above the initial allocation to the IDT KZN by the Department of Education. This expenditure also constitutes about 35% of the R2,031 billion made available for education infrastructure; 73% of these resources were directed towards BEE spend and 23% of expenditure was directed at women.

One Stop Development Centres

The MEC for Social Development during his 2010/11 Budget Vote on 15 April 2010, announced that the province would "construct [6] One Stop Development Centres for [the] effective functioning of NPOs and bringing services of the Department closer to the people". The IDT KZN was contracted as an implementing agent for this priority project. All six One Stop



Thusong Service Centre in Jozini

Development Centres in Msinga Top, Nquthu, Njoko/Msebe, Mkhuphula and Maqongqo were completed in the 2010/11 financial year and at the close of the financial year the process of handover of the facilities was being undertaken. These facilities, which were located in rural KZN, provided a total of 60 job opportunities, post-construction.

Provision of access to justice facilities for people with disabilities

In line with the objective of access to justice and the promotion of constitutional rights to all persons, the IDT KZN after completing all 58 projects related to improving access to justice facilities for persons with disabilities initiated the closure of projects. The project involved the construction of 59 access ramps and 59 paraplegic toilets.

Construction of justice facilities

As part of the national contract with the Department of Justice and Constitutional Development (DOJ&CD) to ensure improved access to justice by ensuring that justice related facilities and courts are located closer to the people, the IDT KZN began construction of the Ntuzuma Court during the financial year 2010/11. As at 31 March 2011, the Ntuzuma Court was 55%



Rain water harvesting in Msinga



Courtyard of Jozini Thusong Service Centre

complete with brickwork cladding, internal and external finishes as well as mechanical work outstanding and the project being on track for completion on 30 October 2011.

Construction and upgrading of offices and courts for traditional authorities

The IDT KZN was contracted by the KZN Department of Co-operative Governance and Traditional Affairs (COGTA) to construct and upgrade 22 projects and courts of traditional authorities, during the 2010/11 financial year. By the end of the financial year, 13 buildings were completed.

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement between IDT and the Department of Public Works, the IDT KZN contracted 22 Non-Profit Organisations (NPO) to deliver 3 046 work opportunities. The NPOs exceeded the target by 411 work opportunities, indicating the high potential of the sector; 54% of expenditure by the programme reached young people and 345 700 person days were attained. The following NPOs in the respective municipalities and sectors were contracted (refer Table 18):



Rain water harvesting in Msinga

KwaZulu-Natal regional review continued

Table 18: KZN EPWP NSS projects 2010/11

District	NPO name	Project types
uMgungundlovu	Friends for Life	Environmental waste management; health (HBC), education counselling)
eThekweni Metro	Aids Foundation	HIV and AIDS awareness and home-based care (HBC)
Ugu	Nomnandi Child Care	Environmental; cleaning of schools and clinics and HBC
Zululand	Intshakaza Youth Support Group	Environmental, waste management and food security and HBC
uMkhanyakude	Mpilonhle Organisation	Environmental, food security and HBC
uMzinyathi	Philanjalo Hospice	HBC
uMgungundlovu	Ethembeni HIV/AIDS Ministry	HBC and waste management
uThungulu	Ithunga Development Organisation	Environmental and food security
eThekweni	Sizanani AHBC	Environmental waste management; food security; arts and culture (beadwork) and infrastructure (block-making)
ILembe	Humana People to People of South Africa	HBC, HIV and AIDS counselling and education
uMzinyathi	Yakha Ikusasa Manje	HBC
uThukela	Kuyasa Development Organisation	Early childhood development (crèches) environmental (waste management) (food security)
Amajuba	Zanethemba HBC	HBC and waste management
uThukela	Siyakhulisa Crèche and Pre-school	Waste management and agriculture (food security)
Sisonke	uMzimkhulu Development Services	Waste management (waste collection, agriculture), (food security) and HBC
uMkhanyakude	Maputaland Development Information Centre	Agriculture (food security)
Sisonke	Yondlabantu Foundation Kokstad	HBC and agriculture (food security)
uThungulu	Sonqoba AIDS Programme Trust	HBC, agriculture (food security) and Infrastructure (block-making)
uThungulu	Hlengimpilo Community Organisation	HBC and environmental (waste management)
uThungulu	Nkungumathe Youth Development Organisation	HBC and environmental (waste management)
uThungulu	Widowed Women of South Africa	Agriculture (food security), environmental (waste management) and HBC
eThekweni Metro	African Sinakho Arts	Arts and culture (dancing) and skills development

Food for Waste Programme

In its second phase, the Food for Waste Programme in KZN expanded from one site in the Greater Kokstad Municipality to four new municipalities. Through its objectives of providing a clean and healthy environment for needy families, the programme has reached beneficiaries in 10 424 households in KZN. The programme will expand to four additional local municipalities in Umlalazi, KwaDukuza, Umnambithi and Umzimkhulu Local Municipalities in the 2011/12 financial year.

Comprehensive Rural Development Programme (CRDP)

In terms of a national agreement the IDT KZN implemented key CRDP projects in the Msinga and Abaqulisi areas. In line with the objective of taking the 2010 FIFA World Cup™ to the people, 14 village viewing sites were implemented in the Msinga and Vryheid areas, with a collective attendance of more than 20 000 viewers of all screened World Cup games. The viewing

equipment was handed to communities so as to encourage further recreational opportunities post the World Cup. The Village Viewing Areas (VVAs) were complemented by two soccer coaching clinics which were conducted in the Msinga area at the Nyoniyezwe High School and Keats Drift Primary School. A total of 250 learners attended the clinics and 17% were female learners. Five players were identified for further training and possible trials with a Premier Soccer League team. Two local coaches were also identified.

Rainwater Harvesting Programme

In implementing the national agreement on rainwater harvesting with the Department of Water Affairs, the IDT KZN was allocated R2 million to install rainwater harvesting tanks in the Msinga, Hlabisa, Sisonke and Mlalazi Local Municipalities. A total of 245 rainwater tanks have been installed at the targeted 365 households. The remaining households will be completed during the 2011/12 financial year.

Department of Social Development's Sustainable Livelihoods Programme

Over the past three financial years the IDT KZN has been supporting 356 Department of Social Development (DSD) funded community projects. In line with agreements with the Department of Social Development an exit strategy was developed and at the close of the 2010/11 financial year identified assets were in process of being handed over to the DSD. In order to ensure a smooth transition and sustainable project management by community members, 1 000 community members were trained during the 2010/11 financial year.

KZN Premier's Flagship Programme

By the close of the 2010/11 financial year, IDT was in the process of finalising an agreement with the Department of Agriculture, Environmental Affairs and Rural Development. During the 2010/11 financial year the IDT KZN provided social facilitation services to all 57 wards identified in the Programme and facilitated the training (by the Department of Agriculture, Environmental Affairs and Rural Development) of 25 846 beneficiaries. To complement the programme, a training proposal for 15 Non-Profit Organisations (NPOs) was submitted to the Department of Public Works. A further 121 participants from 21 NPOs were trained in financial management, business management and project management skills.

Paint Fest

The IDT in partnership with the KZN Legislature has, over the past two years, implemented a Corporate Social Responsibility programme which aims at improving learning conditions in the schools. The volunteer and sponsorship-based programme raised R90 000 in the 2010/11 financial year which was utilised to paint 15 schools as part of the "Taking the Legislature to the People" Programme.

Contractor Development Programme

The IDT KZN had identified 25 contractors to benefit from the IDT's Contractor Development Programme, through training and awarding of contracts. By the end of the 2010/11 financial year 12 of the 25 had received contracts from the IDT. The programme is an enabler for the contractors to move into a higher CIDB grading.

Mechanisation Programme

The mechanisation project is as a result of an agreement with Department of Agriculture, Environmental Affairs and Rural Development which dates back to the 2009/10 financial year. This agreement seeks to mechanise the agriculture sector whilst exploiting its job creation and income generation potential in the production of soya beans in the Amajuba Municipality. The project had been allocated R10 million in the 2010/11 financial year; the IDT trained 149 beneficiaries in farm management.

KZN financial overview

As stated earlier the IDT KZN portfolio constitutes just under half of the total IDT portfolio and close to 10% of the KZN provincial infrastructure budget; 73% of the provincial portfolio spending is constituted by the Department of Education's school infrastructure improvement programme which has been complemented by key community outreach and engagement programmes such as the Premier's Flagship Programme, Local Area Plans and the CRDP. The phenomenal portfolio growth has been accompanied by added responsibilities and travel requirements which have led to a 7% budget variance which is 2% below the corporate tolerated level. The KZN public mandated portfolio for the 2010/11 financial year is as per Table 20 overleaf:

In summary expenditure in the 2010/11 financial year was:

Table 19: KZN operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
19 686 296	18 277 058	93

KZN Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was 33 and at the end of the financial year there were 32 staff members, indicating a 96,97% occupancy rate in relation to approved positions. The KZN staff members have a collective work experience of over 201 years of which an average of three and half years have been spent at the IDT with 14 staff members having served the IDT for over 15 years and four having served over five years. The IDT KZN staff members have qualifications in diverse fields including administration, commerce, social work, project management, civil engineering, education, social sciences, theology, policy studies, science, and development planning and management in local government.

A total of 33 employees were appointed in different units during the period under review (this figure excludes programme funded appointments and interns). In an effort to address the skills shortage in the development sector, project management, and general leadership, a total of seven staff training initiatives in KZN were pursued in project management, human resource management and general management. This benefited seven staff members.

KwaZulu-Natal regional review continued

Table 20: KZN public mandated programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
TACs/MPCCs	71,1	25 042 000	22 386 000	90
Health facilities		136 152 000	93 506 000	69
Courts/NSI programmes		104 712 000	88 966 000	85
One stop centres		40 752 000	36 344 000	89
Educational facilities		802 526 000	740 728 000	92
RHIP programme		5 981 000	3 517 000	59
Total infrastructure			1 115 165 000	985 447 000
Social development programmes				
Operation Vuselela	28,9	668 000	590 000	88
Food for waste		1 280 000	613 000	48
EPWP		24 795 000	24 540 000	99
Sustainable livelihood		2 370 000	2 370 000	100
Rainwater harvest		1 314 000	622 000	47
Total social development			30 427 000	28 735 000
Total public mandated programmes	100,0	1 145 592 000	1 014 182 000	89



Learners at Hlulhuwe Primary School



Handover of farming equipment to beneficiaries in Kokstad



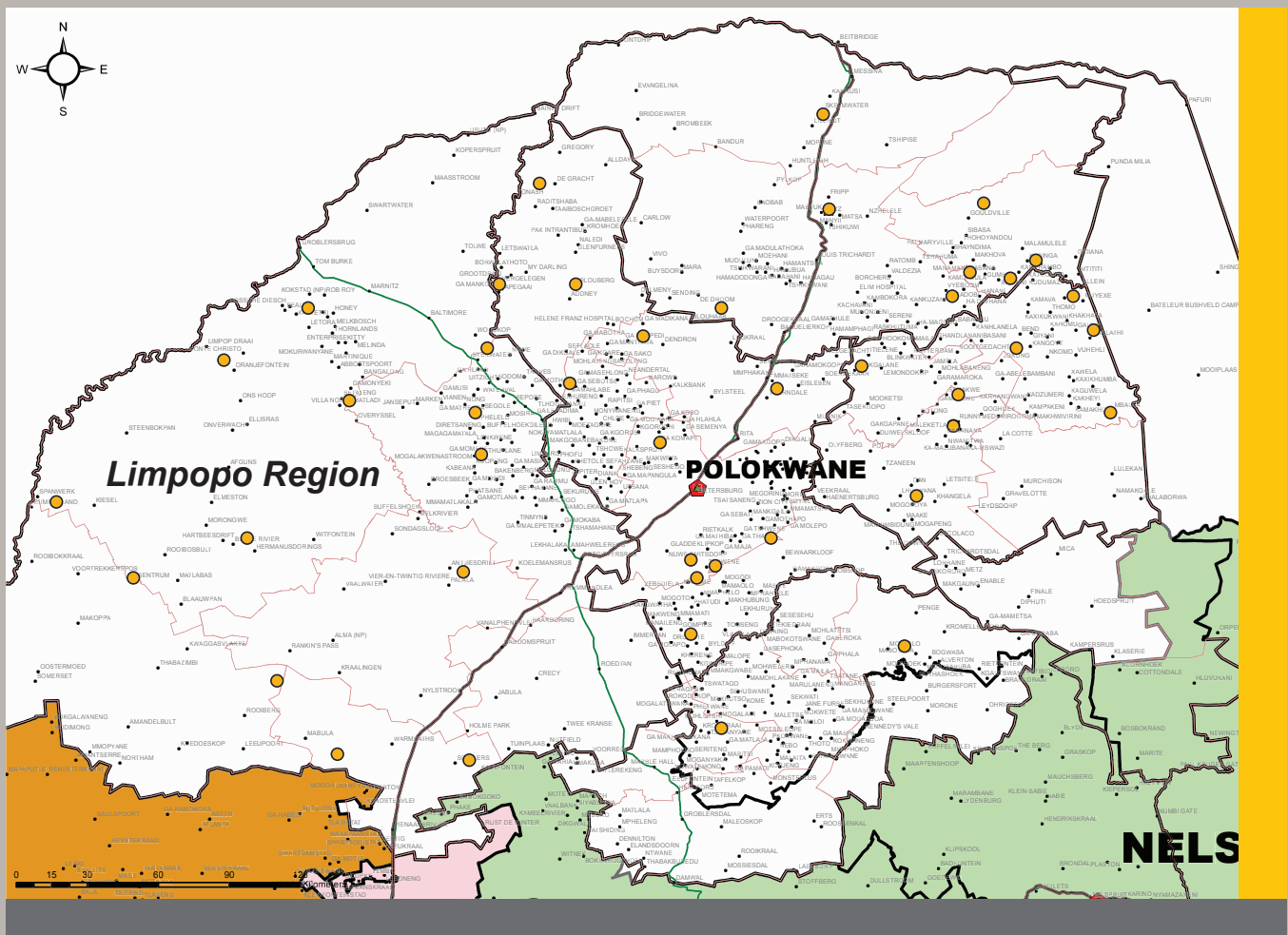
Handover of the tractor secured from Myon Holdings to beneficiaries in Kokstad

Limpopo regional review

“None of us can rest or sleep peacefully until every South African can say: ‘I can see a better future. I can find a job. I can learn a skill. Hard work will enable me and my family to have shelter and food. If my children work hard at school and college, they will have a better future and a thousand opportunities’.”

Premier C Mathale, Provincial Economic Overview Media Launch, Johannesburg, 18 May 2010

Location of the IDT projects





Mr Bali Mmamabolo – *Regional General Manager*

Operations overview

According to the mid-year population estimates of 2010, Limpopo has a population of over 5,4 million people, which constitutes 10,9% of the total South African population. It is also significant that over 70% of this population live in rural areas. The province houses the largest reserve of the platinum group metals, chrome and vanadium as well as the largest bio-diversified fauna and flora with significant archaeological sites. The households living in formal dwellings increased from 72,5% in 2001 to 83,2% in 2007 and in the same period households living in informal dwellings decreased from 7,1% to 5,6% and those utilising electricity for cooking increased from 25,3% to 40,3%. All this progress and its strategic location (with three South African Development Community (SADC) countries bordering it) should translate to greater development. Indeed Limpopo maintained an average and respectable 4% growth during 2010, despite the global economic downturn. This is largely as a result of the provincial economy's partial reliance on the mining sector and tertiary sector industries. Despite this awesome progress it is generally accepted that Limpopo remains the most impoverished province in South Africa. The 2007 Community Survey showed that the proportion of households utilising pit latrines and the bucket system increased from 58,4% and virtually 0% in 2001 to 64,5% and 12,4%, respectively, in 2007. The United Nations Human Development Index for Limpopo stands at about 0,47 which is comparable to some of the lowest developing countries and is well below the South African national average. Some of the related causes could be attributable to the high outward migration flows which are estimated at 140 000 people by the mid-year estimates. These outflows have not enabled the

province to maintain and retain its much needed skills base. Consequently, the IDT Limpopo utilised the 2010/11 financial year to contribute to improving productive capacities of persons stuck in the poverty trap by promoting the inclusion of marginalised people including women, youth and people with disabilities. This was undertaken through a balanced portfolio of R350 million public mandated programmes which were undertaken on behalf of the Departments of Justice, Education, Agriculture and Public Works (amongst others).

In relation to the attainment of sustainable livelihoods through people-centred development, the IDT Limpopo completed the Local Area Plans (LAP) for the Greater Giyani Local Municipality. Further complementary efforts were pursued through the Municipal Support Programme in the Fetakgomo and Maruleng Local Municipalities. These Local Government initiatives will receive support through an agreement concluded in the 2010/11 financial year with the provincial chapter of the South African Local Government Association (SALGA).

In seeking to increase community assets, the IDT Limpopo completed 29 classrooms linked to the National Council of Provinces (NCOP) School Programme; and five community facilities which included an Early Childhood Development (ECD) facility and a computer lab linked to the Comprehensive Rural Development Programme (CRDP). The programmes managed by the IDT Limpopo in the 2010/11 financial year benefited over 15 000 households and supported 92 small and medium enterprises (SMEs).

In pursuing the pioneering of innovative development solutions, the IDT Limpopo participated in the Infrastructure Technical Team of the Premier's Advisory Council on Limpopo's Growth and Development Plan. The province also continued to explore innovations in the delivery of its secured R350 million portfolio particularly as it related to the NCOP School Programme, water and sanitation programme and the social facilitation in the Road Maintenance Programme. The total distribution of the infrastructure and development programmes managed by the IDT Limpopo during 2010/11 was: R186 million to Black Economic Empowerment (BEE), over R109 million to women, over R29 million to young people and R44 million to ordinary labourers. In so doing, the IDT Limpopo projects for the financial year 2010/11 recorded 215 556 work days and 4 862 Expanded Public Works Programme (EPWP) work opportunities.

In ensuring that the resources entrusted to it are effectively and efficiently utilised, the IDT Limpopo maintained its budget variance below the corporate target of 5%, efficiency ratio at 5,6% which is lower than the 10% corporate target.

Limpopo regional review continued

The IDT Limpopo is currently implementing the following public sector programmes:

Infrastructure for the South African Social Security Agency

The IDT Limpopo was contracted by the South African Social Security Agency (SASSA) to upgrade its pension pay points infrastructure in line with government's commitment to bring quality services closer to the people. The PIA includes 11 facilities. All approved projects have reached the final handover stage and they are all currently occupied by SASSA.

Health and welfare facilities

The IDT Limpopo was contracted by the Department of Health and Welfare to construct and renovate 20 clinics and 20 welfare facilities in the different districts of the province. During the 2010/11 financial year final accounts and project finalisations were undertaken for 20 welfare facilities, whilst processes related to the final project handover of the 20 clinics were initiated.

Rural Household Infrastructure Programme

IDT Limpopo started (during November 2010) implementing the Rural Household Infrastructure Programme which, in its initial phases, was directed at addressing the provincial access to water and sanitation backlogs. The IDT Limpopo was allocated R27 million to implement the programme during the 2010/11 financial year in the Tzaneen, Giyani, Letaba, Aganang, Blouberg, Lepelle-Nkumpi, Lephale, Elias Motsoaledi and Mogalakwena Municipalities. By the end of the 2010/11 financial year, 1 609 facilities had been developed.

Construction of the new Polokwane High Court

As part of the national contract with the DOJ&CD to ensure improved access to justice by ensuring that justice-related facilities and courts are located closer to the people, the IDT Limpopo proceeded with the construction of the Polokwane High Court during the financial year 2010/11. As at 31 March 2011, the overall physical progress was at 35%.

The Eradication of mud and inappropriate schools Phase II

The Limpopo Department of Education (LDoE) entered into a Phase II PIA agreement with the IDT in July 2010. The agreement comprised construction of Photo Primary, Matsepe

Primary, Xhirhulurhuli Primary, and Makoma Secondary Schools. As at 31 March 2011, the overall physical progress was at 60% and due for completion in 2011/12 financial year.



Photo Primary School in Glen Cowie village

Restorations and rehabilitation of seven NCOP projects

Following storm damage during 2009 the IDT Limpopo was contracted to upgrade dilapidated building infrastructure in seven schools located in the Tubatse Municipal area. The schools chosen to benefit from the programme are the following: Mroko Primary, Tswereng Primary, Motshana Primary, Matsiri Primary, Taung Secondary, Kweledi Secondary and Potoko Secondary schools. The need for upgrading the schools was identified by the members of the National Council of Provinces during their visit to the area. The sites were handed over to the contractors during December 2010. At the end of the financial year four projects had been completed.



Matsiri Primary School in Shakung village

National Security Infrastructure (NSI)

In line with the strategic objective of improved safety and access to justice, the IDT was contracted nationally by the DOJ&CD to install security systems in courts throughout the country. The IDT Limpopo has completed installations in the Lephalale and Polokwane courts. Additional alteration work is scheduled for the new financial year in two courts in Thohoyandou.

Blouberg Integrated Livestock Co-operatives

The IDT Limpopo entered into an agreement with the Department of Agriculture to develop the Blouberg community's agriculture and livestock production capacities. The Blouberg Integrated Livestock Co-operatives (BILEC) project Phase I was completed with the construction of the handling facility, administration building and the feedlot pens. At the close of the 2010/11 financial year Phase II was being implemented. This phase involves the construction of a reservoir, fencing, handling facilities, borehole, and water tanks. The project has largely been delivered utilising the EPWP labour-intensive principles and its third phase will entail detailed designs, specifications and bills of material for the C25-30 Abattoir at Ga-Kibi (Stolzenfels 368MR).

Working for Woodlands

The Working for Woodlands Programme was initiated by the Department of Environmental Affairs and Tourism as an offshoot of the Working for Water Programme during 2003/04. The programme focuses on the rehabilitation of indigenous vegetation species so as to address alien invasive species, bio-diversity conservation and to combat desertification. The IDT Limpopo has successfully implemented the programme in the Aganang and Tubatse Local Municipalities where 240 people received training and work opportunities during the 2010/11 financial year. In maintaining environmental integrity in the two areas, the project participants worked a total 57 600 workdays in: clearing the land of all invading alien species; rehabilitating the land; fencing in overgrazed and agricultural land; and constructing gabions to restore eroded land whilst covering dongas.

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement with the Department of Public Works, the IDT Limpopo contracted 13 Non-Profit Organisations (NPOs) to deliver a targeted 3 200 work opportunities. The IDT created 4 862 work opportunities and trained 2 721 people. The following NPOs in the respective municipalities and sectors were contracted (refer Table 21):

Table 21: Limpopo EPWP NSS projects 2010/11

District	NPO name	Project types
Sekhukhune District	Phela-o-Phidise	Food security, piggery
	Hlahlolanang Health and Nutrition	Nutrition and waste collections
Mopani District	Khanimamba Area Development	Nutrition and home-based care
	Humana People to People	Home-based care
	Kodumela Area Development	Food security, piggery and poultry
	Lafata Projects	Food security, piggery
	Miehleketso Early Learning Centre	Food security and environment (road maintenance)
	Pfuxanani Early Learning Centre	Food security and environment (road maintenance)
	Tsongang Water and Sanitation	Water reticulation
Vhembe District	Far North Youth Development	Piggery, polish-making, bakery, poultry and road maintenance
	Mbibzo Development Programme	Food security, piggery
	Tivoneleni Bakery	Road maintenance and bakery
Capricorn District	Tiang Maatla Home Based Care	Home-based care and food security

Limpopo Department of Agriculture Food Security Phase III

The IDT Limpopo is completing 44 food security-related projects valued at R16 million spread across the five districts of the province. The scope of works entails the construction of broiler houses complete with water reticulation and electrification, equipping of boreholes, installation of water tanks with stands, installation of drip irrigation systems, supply of generator pumps and fencing. The overall progress as at 31 March 2011 was 45% due to scope changes which resulted in late commencement.

Limpopo regional review continued

Operation Vuselela

The programme forms part of the Working for Water Programme and is delivered in partnership with the Department of Defence wherein 590 hectares have been cleared. This has positively impacted on 60 military veterans who have worked 1 320 person days in the 2010/11 financial year. The veterans have contributed towards enhancing water security, biological diversity, the ecological functioning of natural systems, the productive use of land and reduction of the intensity of fires and floods. The programme is implemented utilising labour-intensive approaches and integrating operations with social-development initiatives. The IDT Limpopo is implementing agent for the programme in the Mokgoopong (Naboomspruit) and Doornkop Military Camps, with each camp having two teams of 15 people per team.

Food for Waste

In line with the national agreement with the Department of Public Works the IDT Limpopo implemented the Food for Waste Programme in the Thulamela, Lepelle Nkumpi and Fetakgomo Local Municipalities, in the 2010/11 financial year. Through its primary aim of creating community awareness on waste management and recycling, the programme impacted on 600 households during the 2010/11 financial year.

Greening Limpopo

The IDT Limpopo in partnership with the Limpopo Department of Agriculture is implementing the Greening Limpopo initiative, which aims at reducing the level of oxidation and carbon in the atmosphere. The programme budget is R3,5 million and by the end of the financial year 15 000 trees had been planted in 10 local municipalities. There were 200 beneficiaries in this programme, and 43 of these beneficiaries received training in nursery management and tree planting.

Comprehensive Rural Development Programme (CRDP)

The IDT Limpopo as per national agreement with the Department of Rural Development and Land Reform (DRD&LR) implemented key projects in the Muyexe pilot sites. These projects included the completion of the E-Rap Centre, installation of 140 rainwater harvesting tanks, installation of 100 solar panel units. Through the DRD&LR 2010 FIFA World Cup Village Viewing Area (VVA) initiative over 18 000 viewers in Muyexe were reached, wherein all World Cup games were viewed. To complement this effort a coaching clinic was hosted in Muyexe village during June 2010 and 33 learners attended. One coach and one player were identified for further training and development.

Site visits to Muyexe Village were undertaken by the Premier, MEC for Agriculture, and other members of the Executive Council during the reporting period.

Limpopo Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was 23. Despite resignations during the year the IDT Limpopo ended the financial year with 23 staff members indicating a 100% occupancy rate in relation to approved positions. The Limpopo staff members have a collective work experience of over 151 years with an average of four years' experience at the IDT; four staff members have served the IDT for over 15 years and two have served over 10 years. The IDT Limpopo staff members have diverse qualifications in law, administration, commerce, social science, project management, quantity surveying, commerce, financial management, policy studies, and development planning and management in local government. One of the staff members from the Limpopo Region has received the CEO Employee of the Year Award during 2010/11.

In an effort to address the skills shortage in the development sector three employees attended courses in the built environment.

The IDT Limpopo utilised funds collected from management fees and allocations from the national IDT, in summary expenditure in the 2010/11 financial year was as set out in Table 22 below:

Table 22: Limpopo operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
15 034 719	14 662 887	96



Learners at Motshana Primary School

Limpopo financial overview

The financial situation of the programmes stated above is given in the tables below. The Limpopo public mandated portfolio for the 2010/11 financial year is as set out in Table 23 below:

Table 23: Limpopo Public Mandated Programme 2010/11

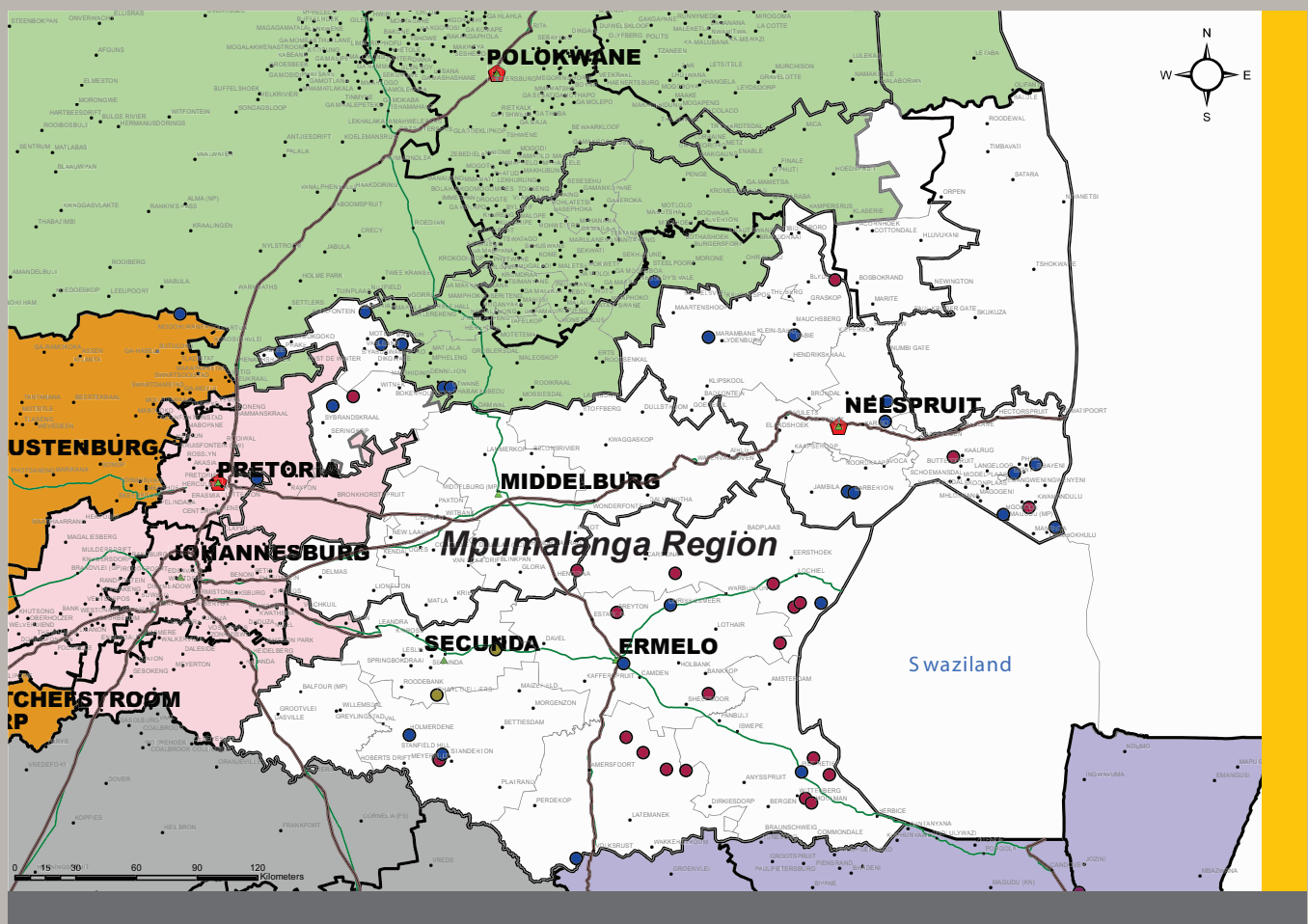
Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
Eradication of mud school Phase I	88	1 900 000	4 867 340	256,2
Eradication of mud school Phase III		140 000 000	46 190 876	33,0
Eradication of mud school NCOP		52 916 26	31 348 941	60,0
Health facilities Phase III		85 251	0	0
SASSA facilities		2 607 901	3 219 652	123,0
Welfare facilities Phase I		636 057	60 802	9,6
Construction of new court LP		150 000 000	116 158 236	77,4
DOJ: NSI infrastructure		5 484 350	146 483	2,7
DOJ: NSI installation		71 407 291	11 239 250	16,0
RHIP (sanitation)		23 647 680	6 682 455	28,0
Total infrastructure			448 684 795	219 914 035
Social development programmes				
EPWP NSS Phase I	12	226 657	226 657	100,0
EPWP NSS Phase II		22 297 905	19 727 812	88,5
DOA: Rainwater Harvesting		980 076	970 212	99,0
Greening Sekhukhune Phase II		3 300 000	0	0
Working For Woodlands Phase III		3 355 613	2 136 395	64,0
Working For Woodlands Phase II		732 852	305 488	42,0
Operation Vuselela Phase II		1 171 370	703 383	60,0
Food For Waste Phase II		1 420 000	618 741	44,0
Food For Waste Phase III		1 360 800	891 491	65,5
Food Security Phase III		16 680 000	8 056 599	48,0
Food Security Phase II		401 427	484 427	121,0
CRDP		6 678 881	6 080 626	91,0
Total social development			58 605 581	40 201 831
Total public mandated programmes	100	507 290 376	260 115 866	51,0

Mpumalanga regional review

“We need a capable developmental oriented public service cadre that demonstrates commitment to community service and empowerment. This should be a new public service cadre characterised by core values of honesty and professionalism, and a caring attitude towards the people we are meant to serve. Our people deserve better.”

Premier DD Mabuza, State of the Province Address, 19 February 2010

Location of the IDT projects



Operations overview

Mpumalanga occupies 6,5% of the surface area of South Africa, and it has some of the most spectacular natural beauty, a wealth of natural resources and is one of the fastest growing provinces in the country. Mpumalanga is home to 3 122 991 people, which constitutes less than 7% of the total population of South Africa. The scattered distribution of the population in the province makes the delivery of services very difficult and expensive. Slightly less than two-thirds of the population live in non-urban areas (60,9%), with slightly more than one-third living in urban areas (39,1%) (Stats SA, 2002). The work status of the total population indicates that 38,9% of the population is younger than 15 years of age and not available for the labour force. Only 24,6% of the population is formally or informally employed and only 14,3% is actively looking for some form of employment.

The province has one of the highest HIV and AIDS infection rates in the country (30%). The Provincial Growth and Development Strategy has been developed with a focus on: Economic Development, Development Infrastructure, Social Development, Sustainable Environmental Development, Good Governance, and Human Resource Development.

Consequently, the IDT Mpumalanga utilised the 2010/11 financial year to contribute to the improvement of social infrastructure as its contribution to the provincial growth and development strategy. This was undertaken through a focus on rural development and a portfolio of over R289,8 million public mandated programmes.

In relation to the attainment of sustainable livelihoods through people-centred development, the IDT Mpumalanga trained 876 beneficiaries whilst developing sustainability utilisation plans for the Inyaka Dam project, Working on Water Leaks and Comprehensive Rural Development Programme in the Gert Sibande District. Overall 77 classrooms were completed by the IDT Mpumalanga.



Completed Kamhlushwa Primary School project

In pursuing the pioneering of innovative development solutions the IDT Mpumalanga conducted a staff and patient satisfaction survey at the Rob Ferreira Hospital, whilst also recovering just over 32% in management fees and spending over 71% of its expenditure on Black Economic Empowerment (BEE). The IDT Mpumalanga created 2 607 EPWP and 1 497 IDT work opportunities.

The IDT Mpumalanga is currently implementing the following nine public sector programmes:

Rob Ferreira Hospital

The IDT Mpumalanga was contracted by the Department of Health to ensure that the hospital meets the 2010 FIFA World Cup requirements. The IDT was also contracted for additional work for Phases 4B, 4C and 4D which entailed: (1) the construction of a trauma unit; (2) renovations of the casualty section, dental and main entrance to the hospital; and (3) the upgrading and renovating of Wards, 9, 10, 11, the paediatric ward, and rehabilitation centre. In meeting the 2010 FIFA World Cup™ requirements, all renovations were completed by the end of the financial year with exception of the hospital entrance.

Provision of access to justice facilities for people with disabilities

In line with the objective of access to justice and the promotion of constitutional rights to all persons, the IDT Mpumalanga delivered 21 projects to improve access to justice facilities for persons with disabilities.

National security infrastructure

In line with the strategic objective of improved safety and access to justice, the IDT is contracted nationally by the Department of Justice and Constitutional Development (DOJ&CD) to install security system in courts throughout the country. The IDT Mpumalanga was contracted to deliver security systems to the Nsikazi Magistrate Court and Nelspruit Magistrate Court. Security upgrades on the two courts were completed on 11 June 2010. Going forward the IDT Mpumalanga will also upgrade security systems in the Witbank Magistrate Court.

Social Development local offices

The IDT Mpumalanga has been appointed by the Department of Public Works to develop five local offices for the Department of Social Development. Construction was still underway in four offices in the 2010/2011 financial year. The remaining one will be implemented in the Gert Sibande District during the 2011/12 financial year.

School Infrastructure Programme

The IDT Mpumalanga implemented the New Design School and Eradication of Mud Schools Programmes for a total value of about R108 million during the 2010/11 financial year. In relation to the New Design School Programme the Magadu Secondary and KaMhlushwa Primary Schools were, by the end of the financial year, above 90% complete.

Mpumalanga regional review continued



Construction of Kamaqhekeza social office

With regard to the Eradication of Mud Schools Programme the IDT Mpumalanga was contracted by the Mpumalanga Department of Education as implementing agent for 19 projects during the 2010/11 financial year; 13 projects were implemented during the financial year. The IDT Mpumalanga was also contracted to renovate 98 schools to the value of R150 million during February 2011.

Food for Waste

In line with the national agreement with the Department of Public Works, the IDT Mpumalanga implemented the Food for Waste Programme in the Dr JS Moroka and Dipaleseng Local Municipalities, in the 2010/11 financial year. Through its primary aim of creating community awareness on waste management and recycling, the programme employed 200 people and has impacted on 4 000 households during the 2010/11 financial year.

Comprehensive Rural Development Programme (CRDP)

The IDT Mpumalanga as per national agreement with the Department of Rural Development and Land Reform (DRD&LR) implemented key projects in the Mkhondo pilot site. These projects included the assessment for internal roads, the 2010 Village Viewing Areas and the installation of 100 solar panel units. The internal roads report was presented and awaiting further approvals from the Department of Rural Development and Land Reform and 100 solar panels were installed. Through the DRD&LR, 2010 FIFA World Cup Village Viewing Area (VVA) a large audience watched the 2010 FIFA World Cup games. Two coaching clinics in KwaNgema at the Tweevolhoek School and Driehoek were hosted with 101 learners in attendance.

Master Plan for Inyaka Dam Local Economic Development Programme

The Inyaka Dam is located mid-way between Mpumalanga's Panorama Region and the world renowned Kruger National Park in the Lowveld — two of the most popular tourist locations in Southern Africa. The Inyaka Dam is viewed as a vital link in a sequence of destinations by providing much needed water recreation activities and tourist accommodation to the region's tourism pool. The IDT Mpumalanga is currently facilitating the process of project identification and possible costs.



Construction of Kamaqhekeza social office

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement with the Department of Public Works, the IDT Mpumalanga contracted six Non-Profit Organisations to deliver a targeted 2 400 work opportunities. The NPO's created 2 607 work opportunities. The following NPOs in the respective municipalities and sectors were contracted (refer Table 24):

Table 24: Mpumalanga EPWP NSS projects 2010/11

District	NPO name	Project types
Enhlazeni	South African Active Disabled People Association (SAAPDA)	Arts and culture
	Human People to People	Home-based care
Thembisile Hani Local Municipality	Amos/Kgaphamadi	Arts and crafts
Umjindi Municipality	Soncoba/Umjindi Home-Based Care	Home-based care
Enhlazeni	South African Renaissance Farmers Trust	Food security
Mbombela Municipality	East High College	Recreation

Training of the NPOs beneficiaries commenced on 17 January 2011 for the following NPOs: Amos Kgaphamadi, SAADPA, Soncoba Umjindi Home-Based Care, South African Renaissance and Ecolink.

Mpumalanga financial overview

The IDT Mpumalanga has experienced an overall increase in the portfolio with the Health Infrastructure part being a leading contributor with R133 494 million which is 45% of the total spent of R295 546 million. The IDT Mpumalanga managed to exceed not only its set expenditure target but also its annual turnover.

In summary expenditure in the 2010/11 financial year was (refer Table 25):



Kamhlushwa Primary School upgrade



Kamhlushwa Primary School upgrade

Table 25: Mpumalanga operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
16 130 195	15 474 731	96,0

Mpumalanga Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was 26. The IDT Mpumalanga recorded a 100% occupancy rate in relation to approved positions. The

Mpumalanga staff members have a collective work experience of over 83 years with an average of two years spent at the IDT and two staff members having served the IDT for over five years. The IDT Mpumalanga staff members have diverse qualifications in administration, architecture, commerce, civil engineering, social science, quantity surveying, philosophy, and development planning and management in local government.



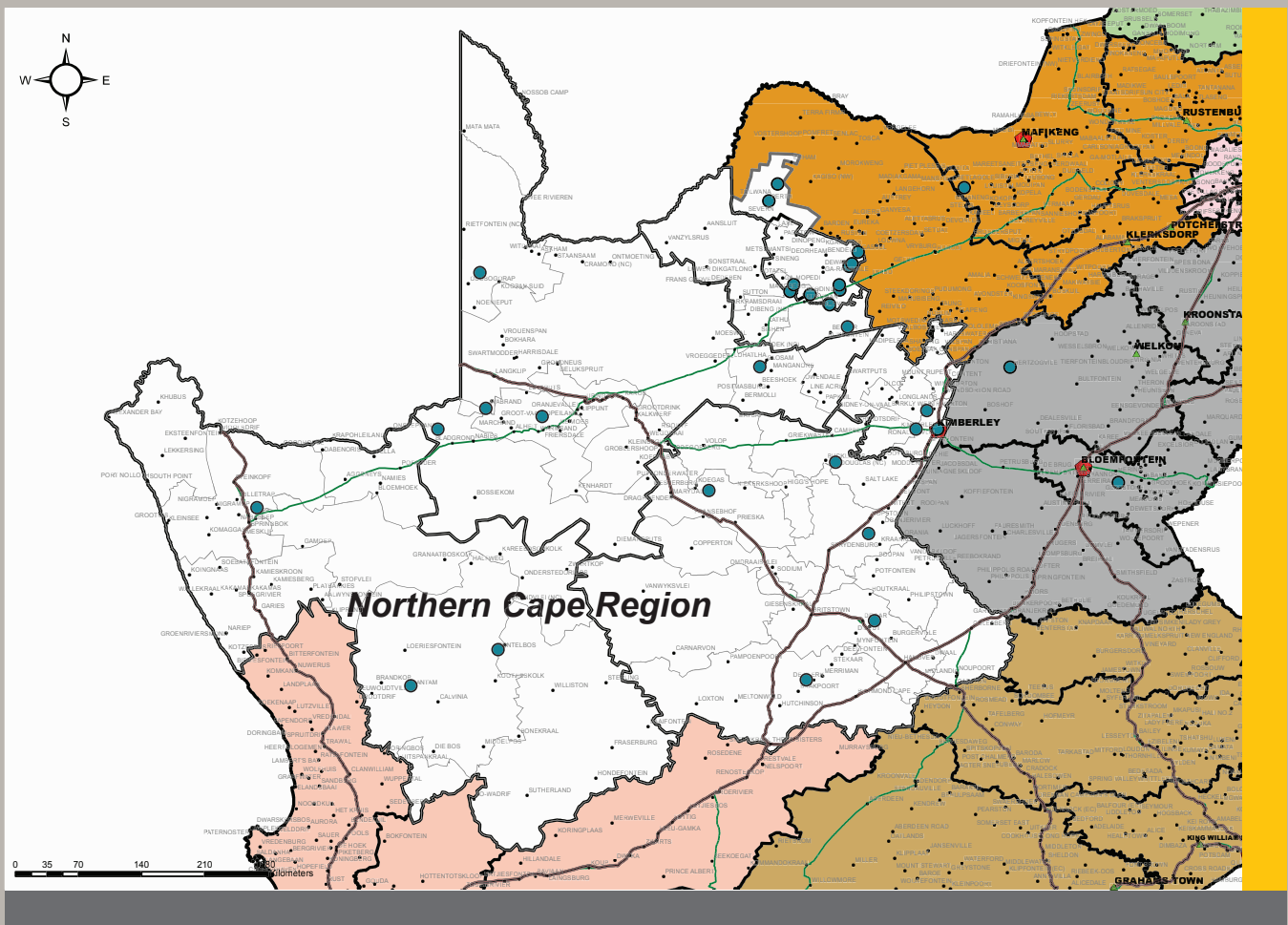
Construction of Kamaqhekeza social office

Northern Cape regional review

“We hereby make a humble plea to big business and State-owned enterprises in the Northern Cape to play a key role in skills development to help us provide the technical skills required by the provincial economy”

Premier H Jenkins, State of the Province Address, 18 February 2011

Location of the IDT projects





Ms Tebogo Malaka – Regional General Manager

Operations overview

The Northern Cape is the largest province in South Africa with a land mass of 361 830km² covering almost 30% of the country. The Northern Cape is sparsely populated and has the smallest population in the country compared to all other provinces. The population of the Northern Cape, according to the mid-year population estimates (2010), is 1,1 million people which constitute 2,2% of South Africa's population. The scattered distribution of the population in the province challenges service delivery. Nonetheless, in looking at key development indicators such as the number of persons utilising the bucket toilet system, a significant decrease was recorded from 10% in 2001 to 4,4% in 2007. Given its natural (and man made) sights as well as South Africa's bid to host the Square Kilometre Array (SKA), the tourism potential for the province is high. The province's main economic activities include: mining, agriculture, agri-processing, farming, game farming, wine-making, fishing and the services industry. A key challenge for the province relates to developing and retaining skills in the province which can direct and drive these potential growth areas and sectors.

The IDT Northern Cape consequently focused its efforts during 2010/11 in developing and complementing existing skills levels in the province whilst partnering with municipalities to improve planning and implementation capacities in that sphere.

In relation to the attainment of sustainable livelihoods through people-centred development the IDT Northern Cape supported 10 co-operatives, four community projects and five Municipalities. In the Magareng Municipality 183 community

members and four Municipality Officials were trained in Local Area Planning processes. In the village of Batlharose in the Ga-Segonyana Local Municipality, community members were trained in Asset- Based Community Development (ABCD) methods. In the Siyanda District Municipality, five officials were trained in Local Economic Development (LED) at an NQF Level 5.

In pursuing the pioneering of innovative development solutions, the IDT Northern Cape trained an additional 165 people against the 150 target of the EPWP Non-State Sector, whilst utilising the R47,2 million public mandated portfolio.

In ensuring that the resources entrusted to it are effectively and efficiently utilised the IDT Northern Cape maintained the corporate targeted 10% efficiency ratio and 14-day pay turn-around time.

The IDT Northern Cape is currently implementing the following eight public sector programmes:

Education and learning facilities

The IDT utilised its own resources to refurbish 10 schools. By the end of the financial year seven had been completed and the remaining three will be completed during the 2011/12 financial year.

National security infrastructure

In line with the strategic objective of improved safety and access to justice, the IDT is contracted nationally by the Department of Justice and Constitutional Development (DOJ&CD) to install security systems in courts throughout the country. The IDT Northern Cape delivered security systems to the Kimberley Magistrate and Kimberley High Courts. At the close of the 2010/11 financial year security upgrades on the two courts were 95% complete, and plans for alterations to the Upington and Douglas Magistrate Courts were finalised for implementation in the 2011/12 financial year.

Water and Sanitation Backlog Programme

The IDT Northern Cape was contracted by the Department of Water Affairs to supply and install three water tanks in three schools. At the end of the 2010/11 financial year two tanks were installed and one could not be installed. Consequently, another school has been identified for completion in the 2011/12 financial year.

Rural Household Infrastructure Programme

The IDT Northern Cape in line with the national agreement with the Department of Human Settlements, completed 400 sanitation facilities in the John Taulo and Joe Morolong Local Municipalities.

Northern Cape regional review continued

Diamond Fields Tourism Information Centre

The IDT Northern Cape was contracted by the Department of Economic Development & Tourism in co-operation with the Frances Baard District Municipality and the De Beers Group to construct a new Tourism Information Centre in Kimberley. At the end of the 2010/11 financial year, designs had been finalised. Remaining work will be completed in the 2011/12 financial year.

Operation Vuselela

The programme forms part of the Working for Water Programme and is delivered in partnership with the Department of Defence in the Diskopolos and 3-SAI Military Camps. In the 2010/11 financial year, 76 hectares were cleared and 39 job opportunities were created. The employed veterans contributed towards enhancing water security, biological diversity, the ecological functioning of natural systems, the productive use of land and reduction of the intensities of fires and floods. The programme is implemented using labour-intensive approaches and integrating operations with social-development initiatives.

Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement between the IDT and the Department of Public Works, the IDT Northern Cape contracted 10 Non-Profit Organisations (NPOs) to deliver a targeted 1 200 work opportunities. The NPOs achieved 1 447 work opportunities with 596 beneficiaries being youth, 763 being women and 21 being people with disabilities. The programme also trained 71 people. The following NPOs in the respective municipalities and sectors were contracted (refer Table 26):

Table 26: Northern Cape EPWP NSS projects 2010/11

District	NPO name	Project types
Pixley ka Seme	Ethembeni	Arts and craft
Frances Baard	Ikhyala Lethu	Healthcare
Siyanda Municipality	SAFIHRO	Skills development
Frances Baard & Siyanda	B Hermanus	Sports and recreation
John Taolo	B Hermanus	Sports and recreation
Frances Baard	Thabiso	Food security
Siyanda Municipality	Oasis Skills	Training
Namakwa Municipalities	Matthys Voedselhulp	Healthcare
	Hope 4 Life	Home-based care
John Taolo	Agang	Education, sports and recreation

Comprehensive Rural Development Programme (CRDP)

The IDT Northern Cape, in terms of a national agreement with the Department of Rural Development and Land Reform (DRD&LR), implemented projects in the Riemvasmaak pilot site. These projects included: the refurbishment of two ERAP Centres, the upgrading of the community hall, the 2010 Village Viewing Area and the installation of 100 solar panel units. The refurbishment of the two ERAP centres was completed. A significant audience in Vredesvallei and Siyanda Districts watched the 2010 FIFA World Cup games. One coaching clinic was hosted during July 2010 in the VVA venue and 68 learners attended.



EPWP – NSS chicken-rearing programme



E-Rural access programme



100 solar panels installed in the Riemvasmaak pilot project

Northern Cape financial overview

The IDT Northern Cape managed to exceed not only its set expenditure target but also its annual turnover (refer Table 27):

Table 27: North Cape public mandated programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
DOJ&CD – NSI	71,1	19 408 765	11 880 074	61,2
DOJ&CD – NSI Infrastructure		146 000	130 151	89,1
Eradication of mud schools		831 943	831 943	100,0
Water and Sanitation Backlog Programme		441 283	325 535	73,8
RHIP Construction year 1 2010/11		2 627 520	1 710 000	65,1
Total Infrastructure		23 455 511	14 877 703	63,4
Social development programmes				
NC Comprehensive Rural Dev	28,9	4 194 360	5 507 682	131,3
NSS EPWP Phase 2 year 2 2010/11		9 267 904	8 569 803	92,5
NC Operation Vuselela 2010/11		956 040	482 836	50,5
Energy and Efficiency Programme		4 591 107	4 591 107	100,0
The Diamond Field Flagship		2 500 000		
Total social development		21 509 411	19 151 428	89,0
Total public mandated programmes	100,0	44 964 922	34 029 131	75,7

In summary expenditure in the 2010/11 financial year was as set out in Table 28 below:

Table 28: Northern Cape Operations Budget 2010/11

Budget (R')	Expenditure (R')	% spent
3 759 741	3 353 853	89

Northern Cape Human Resource overview

At the beginning of 2010/11 financial year, the approved staff complement was nine. The IDT Northern Cape recorded a 100% occupancy rate in relation to approved positions. The Northern Cape staff members have a collective work experience of over 63 years of which an average of four years' IDT work experience, and two staff members having served the IDT for over 10 years. The IDT Northern Cape staff members have qualifications in arts, social sciences, urban and regional planning.



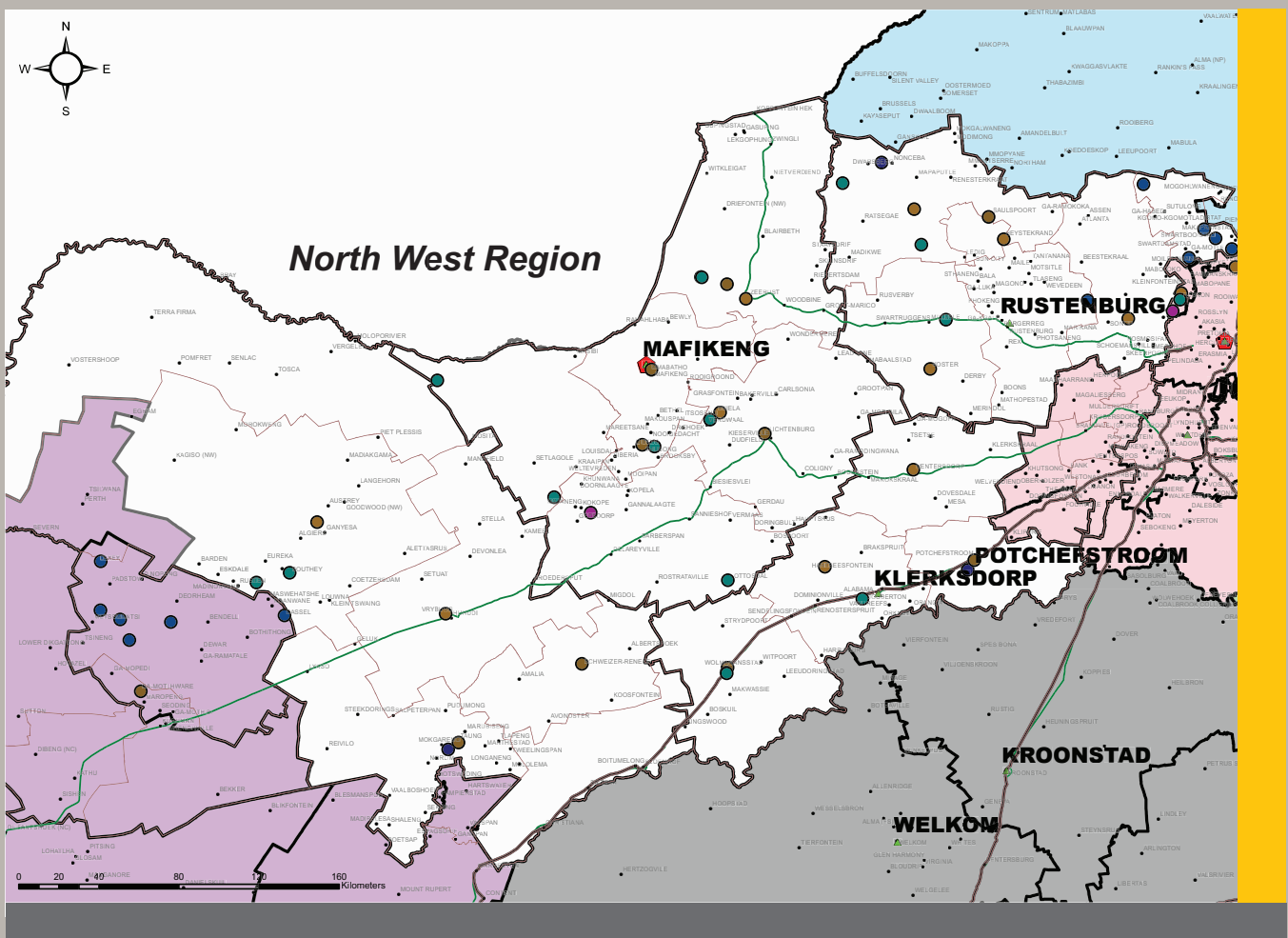
EPWP – NSS Bakery

North West regional review

“The creation of jobs cannot only be the task of government alone. This is the task that needs all of us to jointly work together to create a conducive environment for the creation of jobs. Our people must actively participate in the economy through employment that can contribute towards self-fulfilment and self-esteem that permits them to actively contribute to economic development of their own province and country”

MEC L Mabe, North West Provincial Budget Speech, 08 March 2011

Location of the IDT projects





Ms Tebogo Malaka – Regional General Manager

Operations overview

North West is spatially a medium-sized province, covering 116 320 square kilometres, or 9,7% of the total surface area of South Africa. The province is home to approximately 3,7 million people that constitutes 8,2% of the South African population and contributed approximately 7% to the national economy. Mining contributes over 23% to the North West economy and makes up 22,5% of South Africa's mining industry with 94% of the country's platinum found in the Rustenburg and Brits areas, making it the single biggest platinum producing area in the world. North West is also often referred to as the Texas of South Africa on account of having the largest cattle herds in the world. The province is mostly rural in nature with a low population density and relatively inadequate infrastructure, especially in the remote rural areas. According to the Provincial Growth and Development Strategy the province has inherited an enormous backlog in basic service delivery with the population predominantly poor with high levels of illiteracy and dependency that seriously affect their productivity and ability to compete for jobs. From the above, job creation and poverty eradication, together with the low level of expertise and skills, stand out as the greatest challenges to be resolved.

Consequently, the IDT North West focused its efforts during 2010/11 in assisting with addressing the infrastructure backlog through its secured R269,5 million public mandated portfolio whilst complementing existing public sector skills levels in the province and in municipalities.

In relation to the attainment of sustainable livelihoods through people-centred development, the IDT North West supported the Tswelopele Magogoe Primary Agricultural Co-operative and crop production through financing the installation of a fence, erection of a new building and also conducted training. The project realised higher crop harvesting as compared

to previous years. The IDT support prompted the traditional authority to allocate another site for the project. Additionally the IDT North West trained 24 Municipal officials in the Moses Kotane Municipality on Local Area Planning. Overall 88 classrooms were completed during the year under review.

In order to facilitate for the pioneering of innovative development solutions the IDT North West trained 1 548 people against the set target of 1 500 and also capacitated 17 women contractors against set targets of 15. This put over R45 million in the hands of women contractors, which constituted 24% of total annual expenditure. The IDT North West also trained 31 School Governing Bodies and 186 Project Steering Committee Members in school related health, safety and governance.

In ensuring that the resources entrusted are effectively and efficiently utilised the IDT North West maintained an efficiency ratio of 7% and collected 83% of all management fees.

During the 2010/11 financial year, the IDT North West implemented the following 11 public sector programmes:

Education and learning facilities

The IDT North West was contracted by the Provincial Department of Education to build six schools, through an annual allocation of over R91 million. 88 classrooms were completed, and of these, three were completed by end of the financial year.

The programme benefited 17 women in construction development, 2 792 households, and also generated 2 345 job opportunities. The programme spent 95% of the total allocation for the year under review.

Health care facilities and programmes

In the 2010/11 financial year, the IDT North West was contracted by the Department of Health to construct five health centres, however, due to departmental constraints, only three projects were approved for implementation. Two of the three approved, namely the Letlhabile and JB Marks Health Centres, were completed during the 2010/11 financial year. The remaining Bapong Community Health Care Centre is due for completion during the 2011/12 financial year. Through these projects, 160 households benefited and 80 job opportunities were created.

Department of Water Affairs

The IDT North West was contracted by the Department of Water Affairs and Forestry to contribute to the eradication of water and sanitation backlogs in education and healthcare facilities. For the year under review, all contracted projects were completed with the exception of Bethel High School, which will be completed in the 2011/12 financial year. A total of 26 women and 36 young people participated in the programme which created 25 work opportunities.

LONMIN

During the 2010/11 financial year the IDT North West entered into a partnership agreement with LONMIN and the Madibeng Local Municipality to conduct the needs and sustainability

North West regional review continued

assessment on water, sanitation as well as Local Economic Development projects. During the year under review, five projects were assessed, including the provision of water to the Modderspruit community. 17 job opportunities were created and 34 households benefited on the programme.

Department of Justice and Constitutional Development

During the 2009/10 financial year the Department of Justice and Constitutional Development appointed the IDT as an implementing agent to improve accessibility to court buildings. Of the initial 29 contracted projects, three were reprioritised by the Department; and 13 projects were completed. The remaining will continue in 2012.

National Department of Human Settlement Rural Household Infrastructure Programme

The IDT North West, in line with the national agreement of addressing the rural household access to water and sanitation backlog with the Department of Human Settlement, concluded the agreement during December 2010.

Municipal Support Programme (MSP)

The IDT North West entered into a Co-operative Agreement with the Department of Local Government and Traditional Affairs to strengthen the planning, monitoring and evaluation capacity at municipality levels. By the end of the year under review, 14 Municipalities were assessed, business plans were drawn up and reports were submitted to the Department for consideration. Additionally, an agreement was entered into with the Ngaka Modiri Molema District Municipality for the implementation of the Municipal Infrastructure Grant Water Programme. Local Area Planning processes were also completed in Moses Kotane Local Municipality, wherein 24 Municipal officials were trained. Additionally, 22 Local Area Plans (LAP) were completed in the Moses Kotane Local Municipality and 24 Municipal officials were trained on LAP processes.

National Department of Defence Operation Vuselela

The IDT North West entered into an agreement with the Departments of Water Affairs and Forestry (as a funder), and Defence (as an implementer and client). The programme forms part of the Working for Water Programme and in the 2010/11 financial year, 46,1 hectares were cleared. 60 work opportunities were created and 27 women benefited. The IDT North West is an implementing agent for the programme in the Army Support Base in Potchefstroom. By the end of the year under review 158,66 hectares were cleared and 160 people were trained.

National Department of Public Works EPWP Non-State Sector (NSS)

In line with the national agreement with the Department of Public Works, the IDT North West contracted eight Non-Profit Organisations (NPO) to deliver a targeted 1 828 work opportunities. 7 524 work opportunities were created. The beneficiaries included 2 187 youth, 1 961 women and 96 people with disabilities. The programme also trained 936 people. The following NPOs in the respective municipalities and sectors were contracted (refer Table 29):

Table 29: North West EPWP NSS projects 2010/11

District	NPO name	Project types
Ngaka Modiri Molema	Lomanyaneng Community Aids Project	HIV and AIDS and HBC
Bojanala District Municipality	Itekeng Community Centre	Sports, recreation, arts and culture
Dr Kenneth Kaunda District Municipality	Wolmaransstad ADRA Hospice	HBC
	Guidance Education Youth	Education
	CBO Network	Arts and craft
Bojanala District Municipality	Leseding Care Givers	HBC
Ngaka Modiri Molema	Barolong Boo Ratlou Ba Ga Seitshiro	Skills development
Dr Kenneth Kaunda District Municipality	Philani Healthcare Centre	HBC

Early Childhood Development Programme

The IDT North West was contracted by the Department of Social Development to improve 285 Early Childhood Development facilities in Dr Ruth Segumotsi Mompoti, Bojanala Platinum and Ngaka Modiri Molela District Municipalities during the 2010/11 financial year. 87 Early Childhood Development centres were renovated, 153 received furniture for learners while 57 received office furniture. The programme created 418 job opportunities. 35 women and 37 young people were employed. 141 learning centres will receive indoor and outdoor equipment in the first quarter of the 2011/12 year.

Food for Waste

In line with the national agreement between the IDT and the Department of Public Works, the IDT North West implemented the Food for Waste Programme in the Madibeng and Rustenburg Local Municipalities. Although the implementation of the programme started in the third quarter of the 2010/11 financial year, waste was collected in over 20 000 households. The programme created 500 job opportunities while 215 beneficiaries were trained.



EPWP – Early childhood development centre

North West financial overview

The IDT North West ran a fairly balanced public mandated portfolio, which was R269,5 million against a targeted R213 million. The region spent R188 million in the 2010/11 financial year against a targeted R160 million (refer Table 30):

Table 30: North West Public Mandated Programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
NW DWAF Water and Sanitation	78,5	4 496 633	7 410 000	164,7
Working for Water		832 857	730 000	87,7
RHIP Construction year 1 2010/2011			1 627 293	
NW mud schools		151 500 000	91 744 411	60,6
IDT Funded Mud Schools Programme		2 069 884	1 482 168	71,6
Northwest health facilities I		1 516 434	640 779	42,3
Northwest health facilities II		6 370 646	762 000	12,0
NW health facilities Phase 3		42 000 000	40 557 546	96,6
NW DOH EPWP		629 600	231 299	36,7
EPWP Boiler Maintenance Programme		236 314	159 873	67,7
NW Department of Justice and Constitutional Development		1 461 696	9 114	0,6
DOJ&CD NSI Infrastructure 1			15 112 957	
DOJ&CD NSI Infrastructure 2		448 931	376 518	83,9
Total infrastructure		211 562 995	160 843 958	76,0
Social development programmes				
Food for Waste	21,5	2 200 000	1 049 000	47,7
EPWP NSS		17 331 600	16 413 000	94,7
NW Early Childhood Development Programme Phase II		11 410 000	6 906 389	60,5
NW LONMIN Development Programme		27 000 000	2 311 109	8,6
Total social development		57 941 600	26 679 498	46,0
Total public mandated programmes	100,0	269 504 595	187 523 456	69,6

The table below displays the expenditure of management fees and allocations from the national IDT.

Table 31: North West operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
R14 098 463	R13 413 542	95

North West Human Resource overview

At the beginning of the 2010/11 financial year, the approved staff complement was 22. The IDT North West recorded a 100% occupancy rate in relation to approved positions. The North West staff members have a collective work experience of over 125 years with an average of four years' IDT experience and six staff members having served the IDT for over five years. The IDT North West staff members have qualifications in arts, social sciences, and urban and regional planning, management, commerce and administration.



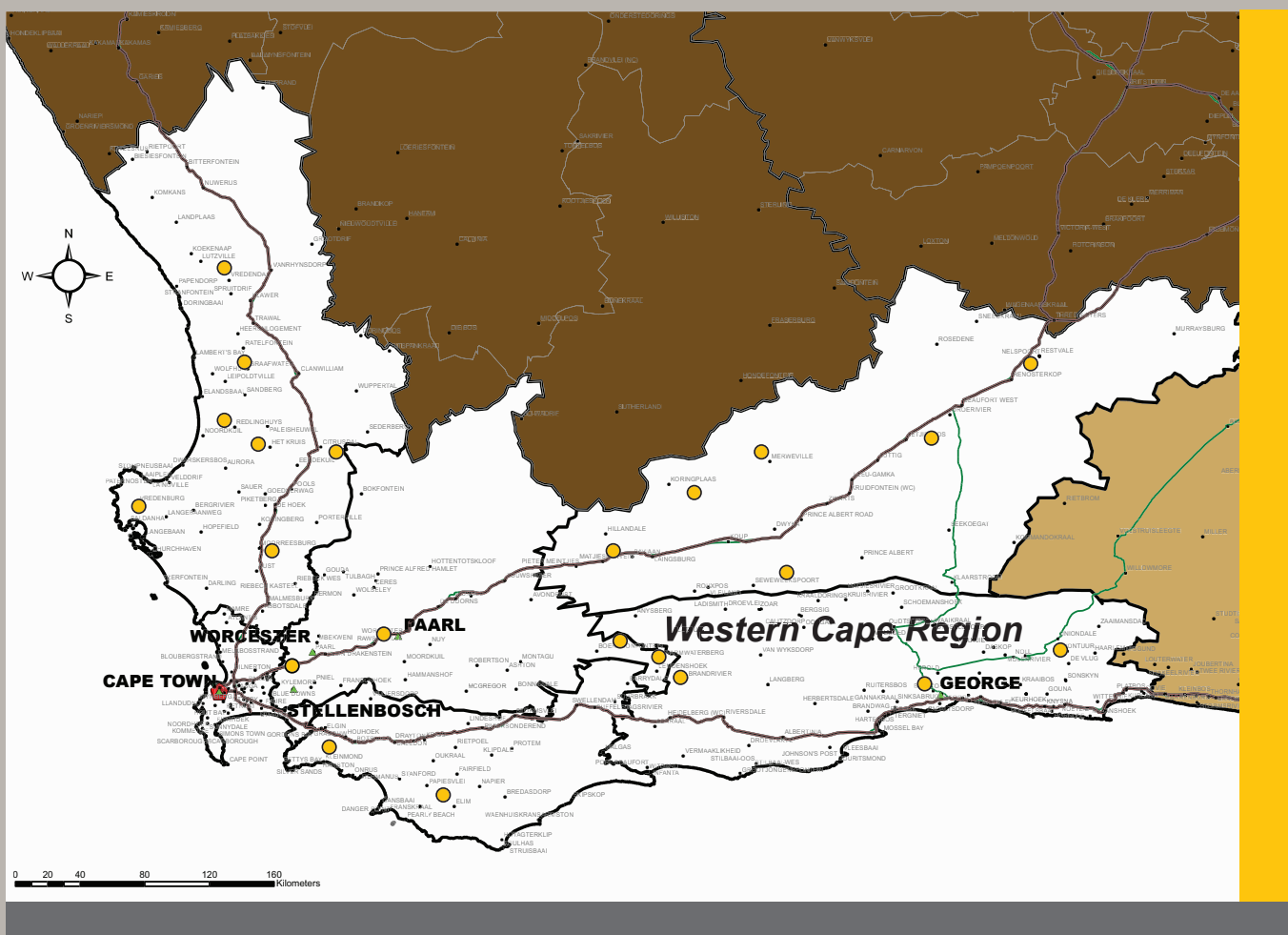
EPWP – Brick laying project

Western Cape regional review

“This government is committed to redressing that legacy in the shortest possible time by the most sustainable means... our purpose in government is to extend the hand of opportunity to the people of the Western Cape so that they can escape poverty, shape their own destinies and live lives they value...”

Premier Helen Zille, State of the Province Address, 18 February 2011

Location of the IDT projects





Dr Nompumelelo Gumede – Acting Regional General Manager

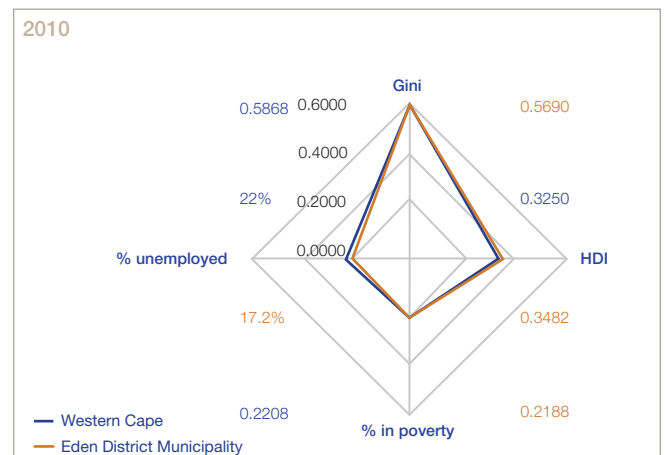
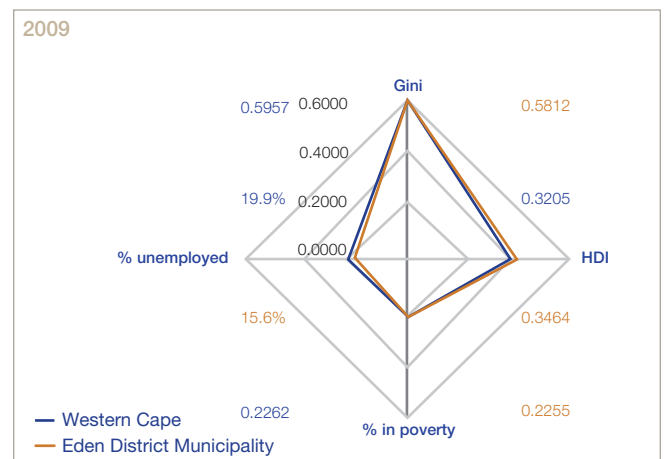
Operations overview

The Western Cape is 129 462 square kilometres and is South Africa's fourth largest province. It is home to over 5 million people or over 10% of South Africa's population and is the second least poor province in South Africa. The Western Cape economy contributes approximately 14,5% to South Africa's GDP, growing at an average of 3,2% a year. More sophisticated sectors such as finance, real estate, ICT, retail and tourism have shown substantial growth, and are the main contributors to the regional economy. The value of residential property has increased significantly. After Gauteng and KwaZulu-Natal, the Western Cape's manufacturing sector is the third-largest contributor to the national manufacturing sector. The clothing and textile industry remains the most significant industrial source of employment in the province. Other key sectors include: the fisheries, agriculture and tourism sectors. During the period 2006 – 2011 it was estimated that 94 600 people migrated into the Western Cape, from other provinces. According to the Statistics South Africa Community Survey (2007) more than half of the province's population (66,3%) resides in the City of Cape Town Metropolitan Municipality. These facts placed significant pressure on the City in relation to service delivery and brought about significantly higher levels of unemployment and inequities. Consequently, the province set itself several objectives for the 2010/11 financial year, including the "modernisation process to overhaul the functioning of government to increase service delivery capacity and financial efficiency".

In order to complement these efforts and capacities the IDT Western Cape focused on two predominant areas, namely: Eden District Municipality (including Witzenberg in the Cape Winelands); and Langa/Gugulethu and Overberg. A review of development indicators reflected in the 2009 Development

Diamond for the Western Cape District Municipalities, reflects a high correlation between the IDT Western Cape areas of focus and prominent development indicators which need addressing within the province. An example of this can be seen in the comparison between Western Cape and Eden District indicators.

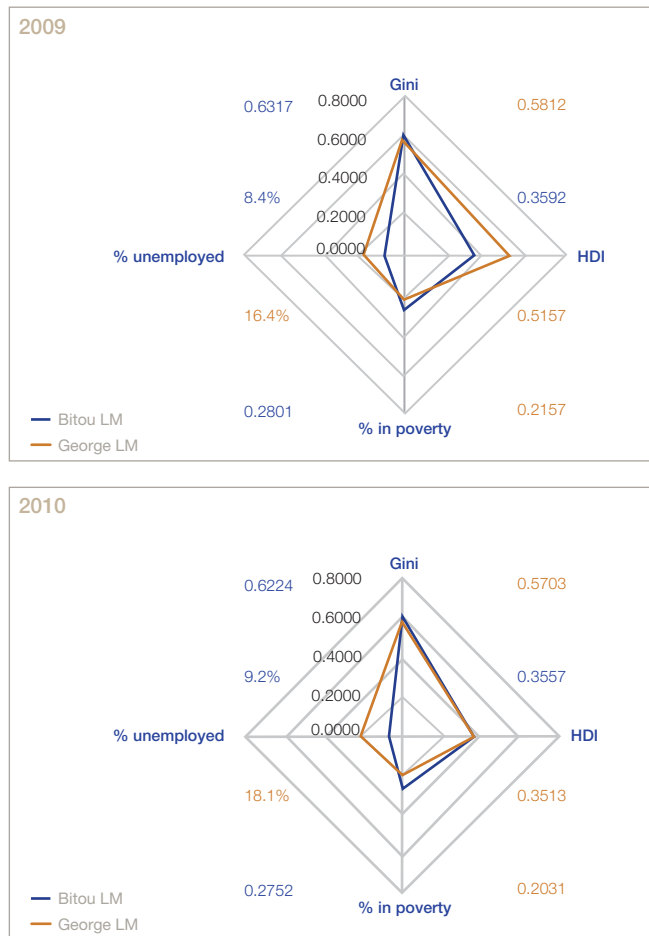
Figure 3: Development Diamond Western Cape vs Eden District Municipality



A comparison of the 2009 and 2010 Development Diamond for the Eden District highlights positive changes within the Eden District, namely a lowering of the Gini Coefficient from 0.5812 to 0.5690 and a lowering of the percentage of the population in poverty from 0.2255 to 0.2188. In 2010 there was also an increase in the Human Development Index from 0.3464 to 0.3482. At a local municipality level, within Eden, the Region's focus on Bitou Local Municipality (LM) can be seen as a response to the high Gini Coefficient and relatively low HDI linked to the higher levels of poverty reflected within the Bitou LM in relation to other Local Municipalities within the District. The Development Diamond below is a clear reflection of these disparities at a Local Municipal level within Eden for 2009 and the resultant changes to the HDI in 2010. IDT's involvement in the War on Poverty Household profiling is seen to have contributed to the improved data collection and provided more accurate information through the National Statistics Information System (NSIS) in the District.

Western Cape regional review continued

Figure 4: Development Diamond Bitou Local Municipality vs George Local Municipality



In relation to the attainment of sustainable livelihoods through people centred development, the IDT Western Cape continued with its participation in the Provincial War Room on Poverty and work around the integration of asset-based community planning into IDP processes. This work received positive public attention as a result of a visit to Bitou Local Municipality by the Deputy President, the Premier, several national Ministers and MECs. The IDT Western Cape also contributed to community level profiling through the conclusion of household profiling, community baselines and empowerment impact assessments in the Eden and Witzenberg Municipalities. This was complemented by the training of 123 community members in the Local Area Planning and Asset-Based Community Development methodologies. Overall, 28 classrooms were completed in the Klapmuts Primary School and 21 Community-Based Organisations were supported during the year under review.

In order to facilitate the pioneering of innovative development solutions, the IDT Western Cape piloted and implemented one community-driven model whilst also implementing five school-based community gardens. However, funding challenges in relation to the Plettenberg Court resulted in the IDT Western

Cape not reaching its R100 million public mandated portfolio target. Despite a late start of the Expanded Public Works Programme Non-State Sector (EPWP NSS) significant progress was recorded in relation to work opportunities created which were 3 366 against a set target of 2 193. These were complemented by the creation of a total of 1 260 training opportunities in all programmes managed by the IDT Western Cape.

In ensuring that the resources entrusted to it are effectively and efficiently utilised, the IDT Western Cape raised over R1,7 million or over half its overhead costs through management fees whilst also ensuring an 84% Right First Time submission rate to the Tender and Adjudication Committee (TAC).

The IDT Western Cape is currently implementing the following six public sector programmes:

Education and learning facilities

The IDT Western Cape entered into a co-financing agreement with the Western Cape Department of Education to reconstruct the Klapmuts Primary School which was an undesirable learning structure. Through the IDT's R5 million contribution and the Department's R22 million contribution, 28 classrooms were completed and by the end of the financial year 95% of the project was completed.

Department of Justice and Constitutional Development Construction of New High Court

As part of the national contract with the Department of Justice and Constitutional Development to ensure improved access to justice by ensuring that justice-related facilities and courts are located closer to the people, the IDT Western Cape had been contracted to construct a new Magistrate Court in Plettenberg Bay. By end of the 2010/11 financial year, R11,5 million was expended mainly on professional fees, however due to funding limitations the project was placed on hold.

National Department of Public Works Expanded Public Works Programme (EPWP) Non-State Sector (NSS)

In line with the national agreement with the Department of Public Works, the IDT Western Cape contracted 12 Non-Profit Organisations (NPOs), through an allocation of R15,7 million to deliver a targeted 2 193 work opportunities. The NPOs achieved 3 366 work opportunities. In addition, the IDT Western Cape worked closely with Department of Public Works and Municipalities in relation to the co-ordination role linked to the Non-State Sector component of the EPWP. This support included municipal engagements with NPOs to ensure the NPO community has a clear understanding of the EPWP. The programme also trained 320 persons. The following NPOs in the respective municipalities and sectors were contracted (refer Table 32):

Table 32: Western Cape EPWP NSS projects 2010/11

District	NPO name	Project types
Eden District (George, Bitou and Knysna Local Municipalities)	George Child Welfare	Early childhood development, farming (pig farms Elands Bay, community gardens and organic farming), household profiling, skills development/training (life skills)
Oudtshoorn, DMA, Kannaland	Oasis	Cleaning/maintenance and general workers (school and hospital maintenance, gardening and grass cutting, spring cleaning and green), household profiling, youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)
Cape Metro	Open Schools, Worldwide	Education (literacy and numeracy, student peer counselling and outreach programme and faith), education (student camp, training, life skills programme), skills development/training (life skills), youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)
Overberg	Safhiro	Cleaning/maintenance and general workers (school and hospital maintenance, gardening and grass cutting, spring cleaning and green)
Cape Metro	Sesona Sibane	Administration, cleaning/maintenance and general workers (school and hospital maintenance, gardening and grass cutting, spring cleaning and green), early childhood development, farming (pig farms Elands Bay, community gardens and organic farming), home-based care (HIV education and health), sewing projects, wetlands
Central Karoo	Thusong Service Centre	Cleaning/maintenance and general workers (school and hospital maintenance, gardening and grass cutting, spring cleaning and green), community nutrition and development centres (nutrition centres), home-based care (HIV education and health), youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)
Cape Winelands/Witzenberg	Ukuthwalana	Community nutrition and development centres (nutrition centres), early childhood development, education (literacy and numeracy, student peer counselling and outreach programme and faith), home-based care (HIV education and health), skills development/training (life skills), youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)
Oudtshoorn, DMA, Kannaland	UNIEP	Cleaning/maintenance and general workers (school and hospital maintenance, gardening and grass cutting, spring cleaning and green), community nutrition and development centres (nutrition centres), farming (pig farms Elands Bay, community gardens and organic farming), home-based care (HIV education and health), household profiling, sewing projects, youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)
Cape Metro	Yabonga HIV/AIDS	Community nutrition and development centres (nutrition centres), home-based care (HIV education and health), skills development/training (life skills), youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)
	Yizani Sakhe	Abused women, community nutrition and development centres (nutrition centres), farming (pig farms Elands Bay, community gardens and organic farming), home-based care (HIV education and health), skills development/training (life skills), wetlands
	Zion Pulse Community Projects	Administration, cleaning/maintenance and general workers (school and hospital maintenance, gardening and grass cutting, spring cleaning and green), education (literacy and numeracy, student peer counselling and outreach programme and faith), home-based care (HIV education and health), sport and recreation, youth development (Youth Advisory Centre, youth counselling, youth diversion and youth programme support, substance abuse)

Western Cape regional review continued

Comprehensive Rural Development Programme (CRDP)

The IDT Western Cape was not originally included as a delivery agent for the Comprehensive Rural Development Programme (CRDP), but due to an identified need for the 2010 Village Viewing Areas in Dysseldorp (Oudtshoorn) and Mamre (City of Cape Town) the IDT Western Cape delivered two village viewing sites and one soccer coaching clinic. A total of 30 400 viewers watched the games in both sites and 69 learners attended the coaching clinic in Dysseldorp during July 2010.

National Department of Defence Operation Vuselela

The programme forms part of the Working for Water Programme and is delivered in partnership with the Department of Defence. The IDT Western Cape is the implementing agent for the programme in the 9SAI; Bredasdorp; Simons Town; Touwsriver and Urban Area's Military Bases. 356,82 hectares were cleared, 111 military veterans and three women contractors (who are also military veterans) benefited. The veterans contributed towards enhancing water security, biological diversity, the ecological functioning of natural systems, the productive use of land and reduction of the intensities of fires and floods. The programme was

implemented using labour-intensive approaches and integrated operations with social-development initiatives.

South African Breweries

South African Breweries partnered with IDT Western Cape in a response to the administration challenges faced by Non-Profit Organisations participating in the Expanded Public Works Programme (EPWP). The partnership supported eight Non-Profit Organisations to the value of R128 000.

Khanyisa Sustainable Livelihood

Through its own resources the IDT Western Cape also supported 21 Community-Based Organisations through training and facilitation in corporate governance.

Western Cape financial overview

The IDT Western Cape managed a portfolio of R71,25 million and an annual R55,7 million in expenditure. This projected shortfall was largely due to the inactivity of the New Courts Programme, as the IDT Western Cape had set an annual target of R60 million for the programme. There is a high correlation between the average negative variance and the scheduled expenditure which would have been spent on the New Courts Programme. Nonetheless the public mandated portfolio of the IDT Western Cape is as set out in Table 33 below:

Table 33: Western Cape public mandated programmes 2010/11

Programme	% of regional public sector budget	Total 2010/11 budget (R')	Expenditure (R')	% spent
Infrastructure programmes				
Eradication of mud school – IDT provision	73,0	3 947 368 (ex VAT)	3 870 420	86,0
Eradication of undesirable structures – WCED		14 500 000	14 368 665	99,0
NSI 02 Infrastructure		150 000	150 058.18	100,0
NSI 01 Installation		10 000 000	12 797 630.50	127,0
Plettenberg Bay New Court (project on hold)		23 144 343	6 169 948	27,0
Facilities for disabled		370 000	358 877	95,0
Total infrastructure		52 111 711	37 715 600	72,0
Social development programmes				
Operation Vuselela	27,0	1 869 755	1 217 877	65,0
Khanyisa sustainable livelihoods		402 377	402 377	100,0
EPWP Phase 2 NSS		16 692 660	16 251 827	97,0
SA Breweries		175 000	128 400	73,0
Total social development		19 139 792	18 000 481	94,0
Total public mandated programmes	100,0	71 251 503	55 716 081	78,0

In summary expenditure in the 2010/11 financial year was as set out in Table 34:

Table 34: Western Cape operations budget 2010/11

Budget (R')	Expenditure (R')	% spent
8 903 937	7 918 026	88,9

Western Cape Human Resource overview

At the beginning of the 2010/11 financial year, the approved staff establishment was 13. The IDT Western Cape recorded a 100% occupancy rate in relation to approved positions (13 filled posts). The Western Cape staff members have a collective work experience of over 67 years of which an average of two years have been spent at the IDT with two staff members having served the IDT for over 10 years. The IDT Western Cape staff members have qualifications in arts, social sciences, public administration and civil engineering.



Community representatives at the 3rd IDT Development Week in Bitou Municipality

Western Cape case study Partnership and resource mobilisation for Klappmuts Primary School

The IDT Western Cape entered into a co-financing agreement with the Western Cape Department of Education to reconstruct the Klappmuts Primary School which was an undesirable school structure.



Principal and the learners

The project is 98% complete. Two partnerships to the value of R530 000 have been secured namely; Khanya and Stellenbosch Municipality to fit and furnish the library and computer rooms. The final completion date is anticipated to be in 2011.



Library

The following key areas of this project have contributed to the success and acceptance of the project by the community of Klappmuts:



Secure courtyard for recreation

Through working with the School Governing Body and the broader community, the project identified the need for a library and computer centre in the Klappmuts area.

The project team effectively incorporated this into the design of the school so that the public can access the library and computer facilities outside school hours. Further, the project team together with the School Governing Body was able to secure the support of Stellenbosch Municipality which will provide the furniture, books, computer system and hiring personnel for the library.

One of the design innovations was a sun control system on the classrooms which prevented direct sunlight but allowed ambient light. This provided thermal protection properties, thus preventing the classrooms from getting too hot and allowing light in to reduce electrical lighting needs. The resultant "green school" has had a direct impact on the ability of the learners to learn in a comfortable environment.

Corporate services



Mr Fikile Guma – Acting Executive Head

Corporate services overview

In supporting corporate governance, strategy development and operations the IDT has established a Corporate Services Unit (CSU) which is directed at creating an enabling environment through effective and efficient human resources management, facilities management, legal advisory services, information management, communications, technology management and stakeholder relationship management.

The human resources function enables the IDT to make effective use of its most valued asset, its people, through the functions of resource planning, resource management and development services.

The information management services provided enable the effective integration of the resources of human intellect and the provision and utilisation of systems that enhance the IDT's leading role as a knowledge based development agency that is rooted in development practice. The knowledge generated through grounded development practice is disseminated to all sectors of society through effective development communication and active stakeholder management. The legal advisory services enable the organisation to maintain its reputation as an effective and professional partner in the development arena.

In the reporting period (2010/11) Corporate Services facilitated:

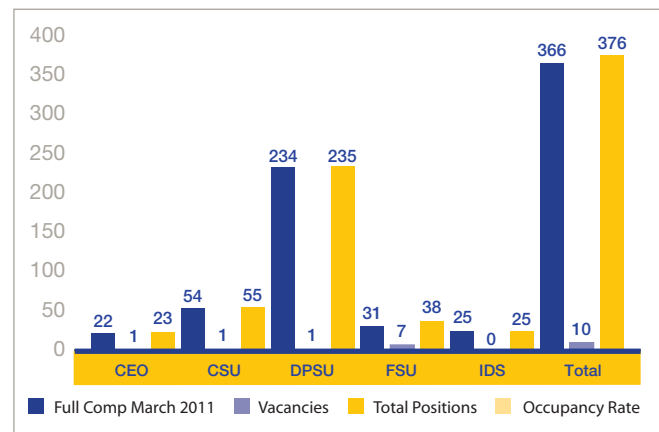
- The conclusion of an organisational Business Mapping Process to facilitate the streamlining of operations and the improvement of client satisfaction
- Organisational compliance to the Employment Equity Act thus enabling the IDT to display better gender and race representation
- The implementation and hosting of the EPWP/II Information Management Systems on behalf of the Department of Public Works, thus enabling government-wide monitoring, evaluation and reporting on the set targets
- Development and approval of the Security Classification Framework (SCF) for records and documents in line with prescripts of the Minimum Information Security Standards

- Organisational transformation by keeping staff informed about the transformation process through various internal communication and information platforms and hosting the Change Agents network
- Continued the implementation and appraisal of Service Level Agreements (SLA) with the operations component to ensure that the required support is provided efficiently and effectively

Staff establishment

At the beginning of the 2010/11 financial year, the approved staff establishment was 417 posts, which was reduced to 376 positions during the course of the year. This reduction of 11% was the result of the use of the business process mapping to identify critical positions, streamline work flows and improve the efficiency of the organisation. The decision to fill vacant positions has been premised by these considerations. The staff occupancy rate at the end of the year was 97%.

Figure 5: Staff Occupancy Rates 2010/11



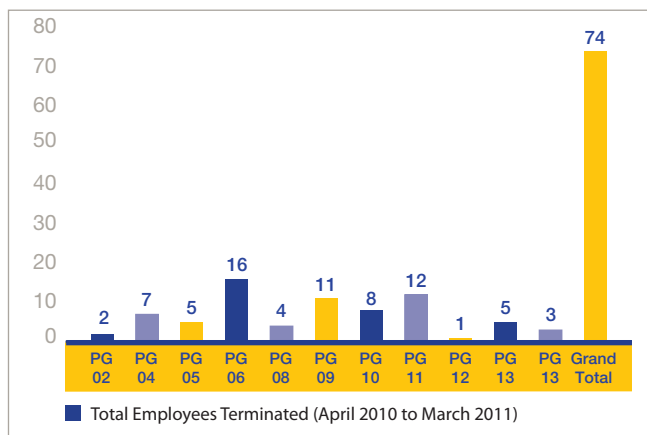
Staff turnover

A total of 74 employees left the service of the IDT during the 2010/11 financial year. This represents a turnover rate of 20% which is higher than the industry norm of 6%, and can be attributed to a number of reasons. The table below provides the detail of the cause for termination. The uncertainty caused by the transformation process was a cause for some resignations. The transformation process is reviewing the retention strategies utilised by the organisation.

Table 35: IDT staff turnover per termination reason 2010/11 financial year

Termination reason	Total
Contract expired	19
Dismissals	4
Retirement	1
Death	3
Resignation	47
Total	74

Figure 6: Staff turnover per grade



A total of 27 employees were appointed in different units during the period under review (this figure excludes programme funded appointments and interns).

Figure 7: IDT appointments from 1 April 2010 to 31 March 2011

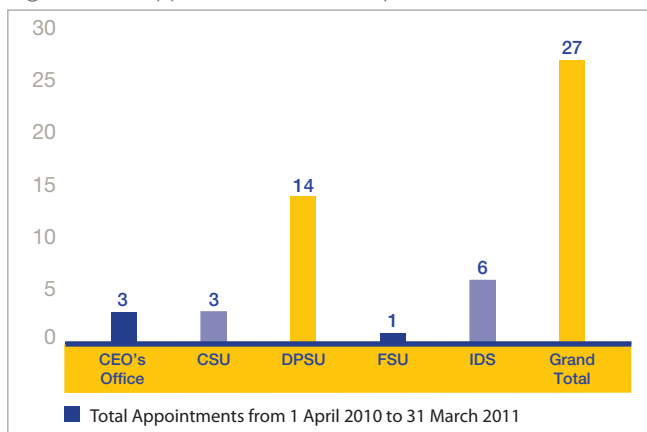


Table 36: Employment equity variance analysis 2010/11

Variance analysis (Equity target vs. status quo: 2011)						
Occupational levels	Target (2010/11)		Variance		Status (2010/11)	
	Male	Female	Male	Female	Male	Female
Top Management	50%	50%	17%	(17%)	67%	33%
Senior Management	55%	45%	1%	(1%)	56%	44%
Professionally qualified and experienced specialists and mid-management	50%	50%	6%	(6%)	56%	44%
Semi-skilled and discretionary decision making	55%	45%	(39%)	39%	16%	84%
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	57%	43%	4%	(4%)	61%	39%
Unskilled and defined decision making	50%	50%	(42%)	42%	8%	92%
Total	53%	47%	(8%)	8%	45%	55%

Employment Equity plan

The IDT is committed to continually address any inequalities present in its workforce with regard to race, gender and disability and to accelerate progress through structured skills development programmes and targeted recruitment. The IDT intends to include the attainment of Employment Equity targets as part of its management's performance indicators and any non-achievement of these targets is taken very seriously.

Employment Equity analysis

The organisation compiled an Employment Equity plan which has targets and strategies for achieving set targets by March 2011. In setting its goals, the organisation was guided by the 2006 census data provided by Statistics SA in determining numerical goals and levelling both the racial and gender categories. The Employment Equity targets were set with line managers since they are ultimately responsible and accountable for addressing Employment Equity matters in the IDT.

An overall target of 2,5% has been set for disabled employees, and the IDT is prioritising the filling of current vacant positions by people living with disabilities. The IDT prides itself in having established partnerships with organisations specialising in disability recruitment. These organisations provide information on available vacancies, in order to refer suitable candidates who have disabilities for consideration.

Corporate services continued

The variance analysis provided in Table 36 above points to a trend where female employees continue to be over-represented at lower levels while male employees are over-represented at management and senior positions.

- There is a 17% deviation from the set target of 50/50 representation at Top Management which is attributed to the departure of a female Executive member. While the number seems high, it must be appreciated that this is due to the limited number of Executive positions (see Table 36: EE targets).
- The normal recruitment process and ability to meet the above EE targets was limited by the current transformation process, where only prioritised vacancies received approval for filling.
- The need to address equitable representation of women at top management remains a top priority for the IDT.
- The figures above are commendable when one looks at the 1% and 6% variance for the senior management and professionals/specialist levels, respectively. This illustrated that it would have been possible for the IDT to achieve the targets, had it not been for the vacancy prioritisation whereby only critical vacant positions were to be filled/replaced or alternatively abolished.
- The representation of the disabled employees in our workforce remains a priority, and the total representation is currently at 1%.

The statutory Employment Equity Report was submitted to the Department of Labour within the prescribed deadline.

Implementation plans and strategies

The main areas of concern are the gender representation at Top Management level, Professionally Qualified Middle Management, and Technical Junior Management categories as well as the overall representation of people living with disabilities.

All prioritised positions have been earmarked for persons with disability so as to improve the IDT's disability status from 1% to 2,5%. The IDT continues to engage with organisations for persons with disabilities in an effort to increase the pool of potential candidates from this target group.

In light of the recent moratorium placed on recruitment activities, the IDT will:

- Review set targets as this will, in all likelihood, have an impact on the achievement of employment equity deliverables.
- Review the entire Employment Equity (EE) plan to reflect the racial and disability preferences for each vacant position.

Employee wellness

The Employee Wellness Programme is an integral part of the attraction and retention strategy, and is in recognition of employees being viewed holistically.

To this end, the IDT provides its employees with an on-site internal wellness facility managed by a qualified psychologist.

In addition, an external employee wellness service (ICAS) is made available to employees and their immediate family members to assist with issues ranging from relationship, domestic, financial, legal, childcare and health-related matters. The programme also includes intensive professional counselling services where required.

A quarterly utilisation report is provided to the organisation, which provides management information used in determining the extent to which the issues noted have an impact in the workplace, and how these can be addressed.

People development

The IDT, as a development agency, prides itself in the continuing development of its most precious resources – Human Capital. There is a concerted effort to continuously identify and develop certain individuals that have appropriate leadership and specialist skills in order to bolster talent retention measures.

In an effort to address a skills shortage in the development sector, project management, and general leadership, a total of 340 training initiatives were undertaken.

During the financial year, a total of 241 staff members have benefited from the abovementioned initiatives.

Bursary scheme and tertiary education grants

As part of IDT's community capacity building programme, the IDT offers bursaries in appropriate fields for students who come from poverty-stricken backgrounds where most of our projects are based. A total of 10 bursaries were awarded for career streams in the built and development environment.

Of the above bursary holders, 70% are women. This is in line with women empowerment agenda in advancing them in careers previously dominated by men.

Employee benefits

An important aspect of talent management is the provision of a range of employee benefits aside from skills development opportunities addressed in this report. The IDT provides comprehensive benefits to its employees including medical aid and provident fund. These benefits are reviewed on an annual basis, to ensure their relevance for employees and that premiums paid are competitive. The provident fund, which is an 'Umbrella Fund', is managed through an internal provident fund management committee which oversees the external service providers, i.e. administrators and investment institutions to ensure good governance.

Employees are provided with annual feedback in the form of workshops where the fund's financial performance is communicated with education on the available risk benefits, e.g. group life cover.

Similar workshops are conducted to provide medical aid education and review of medical aid options and premium change.

A recent development is the conclusion of the long-outstanding transfer of employees' funds held by the previous administrator, Momentum. Section 14 Transfer of the provident fund, as it

is known, was approved by the Financial Services Board in December 2010. Consultations with affected employees have been concluded and employees' current funds credited with the outstanding funds.

Employee relations

The organisation has a variety of participative structures at different levels for dealing with issues of mutual interest between the employer and its employees. These include a collective agreement with the relevant trade union, the National Education, Health and Allied Workers' Union (NEHAWU).

Collective bargaining mechanisms, HRD/EE Committee, and other participative forums are fully functional within the organisation. These structures are designed to achieve good employer and employee relationships through effective sharing of relevant information, the identification and resolution of conflict, consultation by management with employees, as well as finding solutions together on matters of mutual interest.

It is worth noting that all wage settlements in the IDT have been achieved without industrial action which is evident of the extent to which employer and employee matters are mutually resolved and solutions sought have been mutually beneficial.

Financial services



Mr Ian Ellis – Chief Financial Officer

Financial services overview

Financial services functions are delivered through a centralised unit headed by the Chief Financial Officer (CFO), which unit interacts with other unit-based and provincially-based financial managers and controllers. The financial services function is charged with ensuring the efficient and effective utilisation of financial resources entrusted to the organisation through financial accounting, management accounting, project accounting, and supply chain management. The unit ensures that it adheres to the requirements of the Public Finance Management Act (PFMA) and Treasury Regulations. In preparing the 2010/11 statements, the 2012/14 (and beyond) Business Case, and Medium Term Expenditure Framework (MTEF) submissions the unit adhered to these and associated principles.

The unit also paid attention to revising supply chain management policies, strategies, and processes. In this regard revisions to current policies and practices were implemented. These revisions gave attention to Treasury policies which direct public sector institutions to develop user-friendly SCM templates so as to address challenges in relation to reports on tenders. The receiving register was posted on the portal and decentralised in line with buying requirements.

A key intent for the IDT is the economic empowerment of previously disadvantaged individuals and vulnerable social groups including blacks, women, youth and people with disabilities as well as those who live in rural South Africa. Preferential procurement has been seen as a vehicle to facilitate this objective. The Vendor Management System (VMS) is a critical and an enabling tool to facilitate this. The system includes ownership and demographic data whilst also enabling the organisation to rate supplier performance before payments are finalised. The rated supplier information will form an integral part of the performance data that links with the formula for the rotation of VMS suppliers.

During the reporting period the unit was faced with several key resignations. These were augmented by speedy recruitments and appointments, including the appointment of the CFO, Assistant CFO, Manager: Financial Accounting and Manager: Management Accounting.

Financial overview

The IDT delivered programmes to the value of R2,272 billion in the financial year ended 31 March 2011, an increase of approximately 40% over the 2009/10 figure. While the period under review was impacted by the global financial crisis, it was also affected by a number of client Departments facing financial constraints. In the light of these factors, the performance achieved was commendable.

The IDT has developed an effective delivery model which utilises available skills so as to provide service to communities in support of government's objectives. In the previous financial year the IDT declared its intention to grow its portfolio base and to increase the partial recovery of operating costs through management fees in respect of government mandated programmes. This process has continued during the current year as evidenced by the significant increase in management fees recovered. In ensuring that public funds are effectively utilised a concerted effort was made to identify and close inactive programme accounts.

Investment revenue

The investment of the main fund is managed by two portfolio managers in terms of a mandate approved by the Investment Committee. The investment strategy remains risk averse in order to preserve the capital base of the organisation so as to maximise the organisation's operational lifespan.

The effect of low interest rates has significantly reduced the returns on the capital base. Furthermore, the monthly withdrawals from the capital base to fund normal operational expenditure have reduced the balance on the investment funds to R415 million by the end of the financial year. As a result, the total income from investments, at R39,7 million is significantly below the R64,8 million reflected in the 2009/10 financial year.

Management fees

In line with management's commitment to ensure a more sustainable profile, cost recovery on infrastructure programmes for the year was R24 million above the budgeted R57 million. This was also R44 million above the 2009/10 financial year. The cost recovery strategy implemented by management was complemented by a robust management of accounts receivable.

Expenditure

The overall financial strategy during the financial year to optimise working capital requirements, in the short term, by curtailing overhead expenditure reaped benefits as 5,4% was saved from the R388 million approved budget. Administrative expenditure was well contained in accordance with the cost curtailment strategy set by the Board. Actual expenditure has been in line with the budget approved by the Board at R367 million. The financial allocations for the 2010/11 financial year in relation to strategic objectives were:

Figure 8: Financial allocations to strategic objectives:

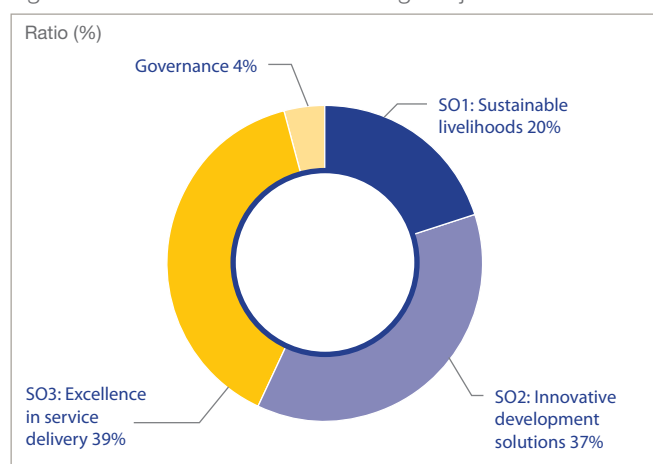


Table 37: Financial allocations and expenditure per strategic objective

Strategic objective	Ratio (%)	Actual (R'000)	Budget (R'000)
SO1: Sustainable livelihoods	20	73 408	77 600
SO2: Innovative development solutions	37	135 805	143 560
SO3: Excellence in service delivery	39	143 148	151 320
Governance	4	14 681	15 520
Total	100	367 042	388 000

The actual expenditure and budget mentioned in the table above includes the provision for performance bonuses, depreciation and development initiatives undertaken. Furthermore, the IDT funded expenditure on the eradicating of mud schools and other undesirable structures to the value of R12 million over the reporting period. Cumulatively, the IDT has funded this programme in the amount of R150 million.

The organisation continued with the analysis of the programmes in progress with a view to ensure the recoverability of any remaining existing balances or write back of amounts that may have been written off in excess of requirements. The review for the year was concluded and revealed an aggregate amount due to the programmes amounting to R4,8 million.

Financial sustainability

The long-term strategic objectives of the IDT align the organisation's commitment to support the development agenda of government effectively as a development agency of choice. In the upcoming Medium Term Economic Framework (MTEF) cycle of government, the IDT will once again be recording its future funding requirements with the National Treasury. The partial funding requirements are in lieu of the short-term funding needs of the IDT so as to complement the organisation's capital base and to increase organisational impact on public mandated programmes and development sector needs. The 2011/12 MTEF allocation of R150 million enabled the Board of Trustees to approve operational reviews which will inform the organisational transformation processes whilst also optimising the delivery of services to beneficiaries. These will be backed by further representation to the National Treasury during the 2013/15 MTEF budgeting period in order to obtain a long-term funding commitment. These will also be complemented by the exploration of alternative sources of funding and complementary revenues which will enhance the IDT's aspiration of pursuing a development agenda aimed at the empowerment of communities.

The new financial year presents a number of eagerly anticipated challenges and opportunities which will be addressed with dedication and conviction.

Approval of annual financial statements

The IDT is required by the Public Finance Management Act (No 1 of 1999), as amended and Treasury Regulations applicable to Public Entities to maintain adequate accounting records which contribute to the integrity of the annual financial statements and related performance information. It is the responsibility of the organisation's executives to ensure that the annual financial statements fairly present the financial position of the IDT, as at the end of the financial year, the results of the IDT's operations and cash flow conform with South African Statements of Generally Accepted Accounting Practice and applicable legislation.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and applicable legislation and incorporate disclosure in line with the accounting policies of the IDT. The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

To enable Executives to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

The Executives are of the opinion, based on the information and explanations given by Management and the Internal Auditors, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Chief Executive Officer and her team have reviewed the proposed budget for the year to 31 March 2012 and are satisfied that the IDT will have sufficient resources to continue as a going concern until such date.

The Report of the Board of Trustees and the Annual Financial Statements set out on pages 74 to 102 were approved by the Trustees of the Independent Development Trust on 26 July 2011 and signed on their behalf:



Ms T Nwedamutswu
Chief Executive Officer



Mrs PF Radebe
Chairperson: Board of Trustees

Report of the Audit Committee

In assisting the Board of Trustees to discharge its collective duties, certain Board responsibilities have been delegated to the Audit and Risk Committee. This committee is constituted as a statutory committee and has an independent role with accountability to both the Board and Stakeholders. During the 2010/11 financial year the Committee was chaired by Trustee Ms G Downing and further comprises three Board of Trustees members and an Independent External Member. The Committee members are sufficiently experienced in matters such as financial and sustainability reporting, internal financial controls, external and internal audit processes, risk management, financial sustainability issues, and Information Technology governance processes within the IDT and the broader public sector.

The Committee, which has unrestricted access to the external and internal auditors, met four times during the reporting period and was provided secretariat support by the Company Secretary.

Name	17 May 2010	27 Jul 2010	16 Nov 2010	15 Feb 2011
Ms G Downing (Chairperson)	Apology	✓	✓	✓
Ms C Motsisi	✓	Apology	✓	✓
Mr F Patel	✓	Apology	✓	✓
Mr K Tiya	✓	✓	✓	✓
Mr B Mokgoro*	✓	✓	✓	✓

* External member

The Chief Executive Officer, Chief Financial Officer, representatives from Internal and External Audit attend Committee meetings. Executives attend at the discretion of the Chairperson of the Committee.

The Audit Committee determines the purpose, authority and responsibility of the Internal Audit function under the Internal Audit Charter. Internal Audit is an independent and objective assurance and consulting activity designed to add value to the IDT's operations. During the year under review Internal Audit continually measured, evaluated and reported on the effectiveness of risk, control and governance processes. The Committee reviews the scope and coverage of the Internal Audit function, making recommendations where necessary. The purpose, authority and responsibility of the Internal Audit Unit are defined in an Internal Audit Charter. Internal Audit also examines systems of internal financial controls, as well as operational control, performance information, compliance to laws and regulations, bringing material deficiencies, instances of non-compliance to the attention of the Audit Committee, External Auditors and Management. The Internal Audit Unit communicates directly with External Audit to ensure proper coverage and minimise duplication of work. External Audit reviews reports issued by Internal Audit.

The Audit Committee Charter tasks the Committee with overseeing all factors and risks that may impact on the integrity of the Annual Report. The annual results are reviewed to ensure that the financial results are valid, accurate and fairly represent the IDT's performance. The Committee also assesses internal controls governing accounting, auditing and financial reporting. The Committee has the responsibility to review and monitor

the structure, performance and activities of the Internal Audit Unit, the External Auditors and the adoption of internal control procedures including accounting policies, legislative compliance, regulatory matters and governance. It also sets the criteria for recommending the engagement of the External Auditors for non-audit purposes if required. It approves the Internal Audit plan and oversees the External Audit process.

The Committee assists the Board with all financial reporting and reviews the annual financial statements. It further provides the Board with its views of the going concern status of the IDT and regularly reviews the appropriateness of the financial sustainability of the IDT. Management maintains adequate internal controls, giving reasonable assurance that assets will be safeguarded. Management also maintains proper accounting records and ensures the reliability of financial and operational information.

The IDT's system of internal financial control includes policies, procedures and clearly defined lines of accountability and delegation of authority. The system provides for comprehensive reporting and analysis against approved budgets. Compliance is tested by Management review, Internal Audit check and External Audit.

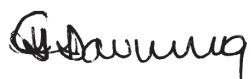
Internal controls manage the risk of failure to achieve business objectives and can provide reasonable, although not absolute, assurance against material misstatement or loss. Ongoing processes identify, evaluate, manage, monitor and report on significant risks.

The Audit Committee was responsible for oversight of risk management. The Committee also assessed whether significant statutory and financial risks have been identified and are being monitored and managed through internal financial controls.

The Audit Committee has the additional responsibility of advising and updating the Board on issues including accounting standards and IT governance. The IDT's whistle-blowing arrangements are approved and monitored by the Committee. The Audit Committee reviews the annual External Audit plan which incorporates the audit fee.

Findings by the External Auditors arising from their annual statutory audit are tabled and presented at an Audit Committee meeting following the audit. The Committee endorses action plans for management to mitigate noted concerns. The audit findings raised help for Management identify areas requiring improvement and helps to enhance the IDT's financial control processes.

Further, the Committee has considered and is satisfied with the independence of the External Auditors and with the effectiveness of the IDT's outsourced Internal Audit function. The Audit Committee has recommended the annual financial statements for approval to the Board of Trustees.



Ms G Downing
Chairperson of the Audit Committee

Report of the Auditor-General to Parliament on the financial statements of the Independent Development Trust

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of the Independent Development Trust, which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 74 to 102.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) 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 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) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), 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 1111 of 2010* issued in *Government Gazette 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Independent Development Trust as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Statements of GAAP and the requirements of the PFMA.

Report on other legal and regulatory requirements

8. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 103 to 107 and material non-compliance with laws and regulations applicable to the public entity.

Predetermined objectives

Reliability of information

9. The reported performance information was deficient in respect of the following criteria:

Validity: The reported performance did not occur and does not pertain to the entity.

The following audit findings relate to the above criteria:

For the selected objective, the validity of 21% of the reported indicators could not be established as sufficient appropriate audit evidence could not be provided.

Compliance with laws and regulations

Annual financial statements

10. The accounting authority submitted financial statements for auditing that were not prepared in all material aspects in accordance with generally accepted accounting practice as required by section 55(1)(b) of the PFMA. The material misstatements identified by the Auditor-General of South Africa with regard to employment expense, administration expenses, funds due (to)/from programme principals, main fund and trade and other payables were subsequently corrected.

Expenditure management

11. The accounting authority did not take effective and appropriate steps to prevent fruitless and wasteful expenditure as per the requirements of section 51(1)(b)(ii) of the PFMA.

Internal control

12. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 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. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

13. The IDT did not have sufficient monitoring controls to ensure adherence to all applicable laws and regulations.

Financial and performance management

14. Inadequate review of financial statements and report on predetermined objectives by senior management to ensure accuracy and completeness of financial statements and report on predetermined objectives prior to submission to the accounting authority for approval and subsequent submission for auditing.

Auditor - General

Pretoria
29 July 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Statement of comprehensive income for the year ended 31 March 2011

	Notes	2011 R'000	2010 R'000
Revenue	5	81 205	36 586
Investment revenue	6	33 485	58 619
Interest revenue	7	762	1 634
Other income	8	1 267	6 410
Other losses	9	(555)	(323)
Employment expense	10	(218 653)	(211 594)
Depreciation and amortisation expense	10	(6 296)	(5 132)
Administration expenses	10	(126 946)	(133 935)
Finance expense	11	(175)	(257)
Fair value gains on investments	12	6 778	6 154
Other expenses	13	(14 417)	(74 195)
Deficit for the year		(243 545)	(316 033)
Total comprehensive deficit for the year		(243 545)	(316 033)

Statement of financial position as at 31 March 2011

	Notes	2011 R'000	2010 R'000
Assets			
Non-current assets			
Property and equipment	17	36 747	39 139
Intangible assets	18	272	471
Investments with financial institutions	19	95 126	116 994
Current assets			
Investments with financial institutions (non-current asset held for sale)	19	320 423	535 038
Trade and other receivables	20	26 540	28 650
Funds due (to)/from programme principals	21	(4 725)	5 689
Cash and cash equivalents	22	28 062	5 040
Total assets		502 445	731 021
Main Fund and liabilities			
Main Fund			
Initial funding		2 025 000	2 025 000
Accumulated deficit		(1 587 282)	(1 344 690)
Liabilities			
Non-current liabilities			
Finance leases	24	-	-
Current liabilities			
Short-term portion on finance leases	24	-	51
Trade and other payables	25	28 429	26 255
Provisions: Current	26	36 298	24 405
Total liabilities		64 727	50 711
Total Main Fund and liabilities		502 445	731 021

Statement of changes in equity for the year ended 31 March 2011

	Notes	Main fund R'000
Balance at 31 March 2010		993 170
Prior period error		3 173
Total comprehensive deficit for the year		(316 033)
Balance at 31 March 2010		680 310
Prior period error	28	953
Balance at 31 March 2010 – restated	23	681 263
Total comprehensive deficit for the year		(243 545)
Total main fund as at 31 March 2011	23	437 718

Statement of cash flows for the year ended 31 March 2011

	Notes	2011 R'000	2010 R'000
Cash flows from operating activities			
Cash utilised in operations	29	(250 050)	(357 392)
Investment revenue	6	33 485	58 619
Interest revenue	7	762	1 438
Finance expense	11	(175)	(17)
Realised profit and losses on investments	12	6 778	6 154
Net cash outflows from operating activities		(209 200)	(291 198)
Cash flows from investing activities			
Additions to:			
Property and equipment	17	(4 027)	(8 559)
Intangible assets	18	(245)	(311)
Proceeds on disposal of:			
Property and equipment	17	11	–
Investments:			
Decrease in investments with approved institutions		236 483	296 209
Net cash inflows from investing activities		232 222	287 339
Cash flows from financing activities			
Repayments of:			
Finance lease obligations		–	(51)
Net cash outflows from financing activities		–	(51)
Net (decrease)/increase in cash and cash equivalents		23 022	(3 910)
Cash and cash equivalents at the beginning of the year		5 040	8 950
Cash and cash equivalents at the end of the year	22	28 062	5 040

Notes to the annual financial statements for the year ended 31 March 2011

1. Accounting policies

1.1 Basis of preparation of financial statements

The Independent Development Trust is a Trust domiciled in South Africa. The financial statements have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The financial statements have been drafted under the historical cost convention, except where specifically indicated otherwise in the accounting policies below, where certain items, such as certain financial assets and financial liabilities are stated at fair value through the statement of comprehensive income.

The preparation of the financial statements in conformity with South African Statements of Generally Accepted Accounting requires the use of estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates and judgements made.

The following new standards or amendments are not considered to be relevant to the IDT's operations and will therefore have no impact on the entity when they become effective:

Amendments IFRS 3 Business Combinations (effective 1 January 2011)

Contingent considerations are measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the measurement period. All other subsequent adjustments are recognised in the Statement of Comprehensive Income. Amendments to transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS. Clarification on the measurement on non-controlling interests. Additional guidance provided on un-replaced and voluntarily replaced share-based payment awards.

Amendments IAS 34 Interim Financial Reporting (effective 1 January 2011)

Clarification of disclosure requirements around significant events and transactions including financial instruments.

Interpretation IFRIC 13 Customer Loyalty Programmes

Clarification on the intended meaning of the term "fair value" in respect of credit awards on loyalty programmes.

The following accounting standards, interpretations and amendments to existing standards have been published and are mandatory for the IDT's accounting period beginning on or after 1 January 2011 or later periods, have not been adopted in the current year.

Amendments IFRS 1 First-time Adoption of IFRS (effective 1 January 2011)

The amendment clarifies the changes in accounting policies in the year of adoption fall outside the scope of IAS 8. Further amendment permits the use of revaluation carried out after the date of transition as a basis for deemed costs.

Amendments IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Clarification that disclosure requirements in Standards other than IFRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.

Amendments IFRS 7 Financial Instruments Disclosure (effective 1 January 2011)

The amendment clarifies the intended interaction between qualitative and quantitative disclosures and the nature and extent of risks arising from financial instruments and removed some disclosure items which were seen to be superfluous or misleading.

Amendments IFRS 7 Financial Instruments Disclosure (effective 1 July 2011)

The amendments require additional disclosure on transfer transactions of financial assets, including the possible effects of any residual risks that the transferring entity retains. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

1. Accounting policies continued

1.1 Basis of preparation of financial statements continued

IFRS 9 Classification and Measurement of Financial Assets

IFRS 9 addresses the classification and measurement of financial assets in determining whether they are measured at amortised cost or at fair value and how an entity manages its financial instruments and its contractual cash flow characteristics of the financial asset. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39.

Amendments IAS 1 Presentation of Financial Statements (effective 1 January 2011)

Clarification of statement of changes in equity.

Amendments IAS 24 Related Party Disclosure

Simplification of the disclosure requirements for government-related entities and the clarification of the definition of a related party.

Amendments to IAS 7 Statement of Cash Flows

The amendments specify that only expenditures that result in a recognised asset in the Statement of Financial Position can be classified as investing activities in the Statement of Cash Flows.

Underlying concepts

Accounting policies are the specific principles, bases, conventions, rules and practices applied in preparing and presenting financial statements. Changes in accounting policies are accounted for in accordance with the transitional provisions in the standard. If no such guidance is given, they are applied retrospectively. However, if it is impracticable to apply the change retrospectively, the change is applied prospectively. Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

The preparation of financial statements in conformity with South African Statements of Generally Accepted Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. For the areas where assumptions and estimates are significant further disclosure is made in the notes to the annual financial statements. These changes in accounting estimates are adjustments to assets or liabilities or the amounts of periodic consumption of assets that result from new information or new developments. Such changes are recognised through profit or loss in the period they occur.

Prior period errors are omissions from or misstatements in the financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when the financial statements for those periods were authorised for issue and could reasonably be expected to have been obtained. Such prior period errors are retrospectively restated unless it is impracticable to do so, in which case they are applied prospectively. Retrospective restatement is correcting the recognition, measurement and disclosure of amounts as if a prior period error had never occurred.

Accounting policies are not applied when the effect of applying them is immaterial, i.e. if individually or collectively they would not influence the economic decisions of the users of the financial statements.

The financial statements, including the notes, have been rounded off to the nearest thousand Rand, except where stated otherwise in the body of the notes.

Recognition of assets and liabilities

An asset, being a resource, controlled by the IDT, as a result of a past event, is recognised when it is probable that future economic benefits associated with it will flow to the IDT and its cost or fair value can be measured reliably.

A liability, being a present obligation of the IDT arising from a past event, is recognised when it is probable that future economic benefits associated with it will flow from the IDT and its cost or fair value can be measured reliably.

Notes to the annual financial statements for the year ended 31 March 2011

1. Accounting policies continued

1.1 Basis of preparation of financial statements continued

Derecognition of assets and liabilities

Financial assets are derecognised, i.e. removed from the Statement of Financial Position, when the contractual rights to receive the cash flows have been transferred or have expired or if substantially all the risks and rewards of ownership have passed.

All other assets are derecognised on disposal or when no future economic benefits are expected from their use.

Financial liabilities are derecognised when the relevant obligation has either been discharged or cancelled or has expired.

1.2 Measurement currency

The financial statements are presented in South African Rand, which is the measurement currency of the IDT.

Transactions and balances

Transactions in currencies other than the IDT's measurement currency are recognised at the exchange rate ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the exchange rate ruling at the Statement of Financial Position date. Gains and losses on exchange differences are recognised through the Statement of Comprehensive Income.

1.3 Property and equipment

All equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, only when it is probable that the future economic benefits associated with the item will flow to the IDT and the cost of the item can be measured reliably.

When plant and equipment comprise significant components in relation to the current asset with different useful lives, these components are accounted for as separate items and written off over their estimated useful life.

Owner-occupied property represents property held for administrative purposes. The owner-occupied property is carried at cost less any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount. Currently the residual value of the owner-occupied property has increased in value greater than its carrying amount.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date the asset is classified as held for sale or impaired and the date that the asset is derecognised. Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual values over its estimated useful life. The method of depreciation and useful lives are reviewed annually. The depreciation rates applicable to each category of property and equipment are shown in note 17 of the annual financial statements. Land is not depreciated.

The assets' residual values and useful lives are reviewed at each Statement of Financial Position date and adjusted if appropriate.

Property and equipment is tested for impairment whenever there is an indication that the asset may be impaired in accordance with the requirements of IAS 36.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the Statement of Comprehensive Income.

Assets, which are subject to financial lease agreements, are capitalised at their cost equivalents and the corresponding liabilities are recognised. Lease finance charges are included in interest expenditure as they become due.

1. Accounting policies continued

1.4 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at historical cost less accumulated amortisation and accumulated impairment losses. Amortisation shall begin when an asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the earlier of the date that the asset is impaired and the asset is derecognised. Assets are amortised over their useful lives using the straight-line basis. The useful lives of the assets are reviewed at each Statement of Financial Position date and tested for impairment if there is an indication that they may be impaired. Amortisation is included in other expenses on the Statement of Comprehensive Income. IDT has no assets with an indefinite useful life.

Research costs, being the original and planned investigation undertaken with the prospect of gaining new technical knowledge and understanding, are recognised in the Statement of Comprehensive Income as they are incurred.

Development costs, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, processes, systems or services before starting production or use, are capitalised. An internally-generated intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible assets and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible assets during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. If not, development expenditure is charged to the Statement of Comprehensive Income in the period in which it was incurred.

1.5 Impairment of assets

An impairment loss is the amount by which the carrying amount of an asset (i.e. the amount recognised on the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment losses) exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset.

At each reporting date the carrying amount of property, equipment and intangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. In assessing value in use the estimated future cash flows are discounted to their present value that reflects the current market assessment, condition and the expected lives of the assets.

If the recoverable amount of an asset is estimated to be less than its carrying amount, its carrying amount is reduced to the higher of its recoverable amount and zero. Impairment losses are recognised in the Statement of Comprehensive Income. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted to allocate its remaining useful life.

If an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Notes to the annual financial statements for the year ended 31 March 2011

1. Accounting policies continued

1.6 Leases

Operating leases

Leases of assets where a significant portion of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease costs are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Finance leases

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the IDT are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value or the present value of the minimum lease payments. The capital element of future obligations under the leases is included as a liability in the Statement of Financial Position. Lease payments are allocated using the effective interest rate method to determine the finance lease expense, which is charged to the Statement of Comprehensive Income, and the capital repayment, which reduces the liability to the lessor.

1.7 Financial instruments

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, investments with financial institutions, trade and other receivables, trade and other payables and borrowings.

Financial assets are recognised when the IDT has rights or other access to economic benefits. Such assets consist of cash or a contractual right to receive other financial assets. Financial assets are classified into the following specified categories: financial assets at fair value through the Statement of Comprehensive Income (FVTPL), and loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than 12 months from the Statement of Financial Position date, which are classified as non-current assets. Loans and receivables are initially recognised at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Loans and receivables comprise trade and other financial receivables, cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of borrowings and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of borrowings.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Comprehensive Income. Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment of receivables could include past experience of recovering amounts due, an increase in the number of delayed payments past the average collection period, as well as observable changes in national or local economic conditions that correlate with default receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets' effective interest rate. The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables. When a trade receivable is considered unrecoverable, it is written off through the Statement of Comprehensive Income to other expenses. Subsequent recoveries of amounts previously written off are credited against other income.

1. Accounting policies continued

1.7 Financial instruments continued

Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms.

Financial liabilities include trade and other payables and borrowings. These financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

The recognition and measurement criteria for each of these financial instruments are separately disclosed under their respective accounting policies. The face values of financial assets and liabilities with a maturity of less than one year approximate their fair values.

A financial instrument, being a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, is recognised when the IDT becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the IDT will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor is considered an indicator that the trade receivable may be impaired. The amount of the loss is the difference between the carrying amount and the recoverable amount of the asset, being the present value of the estimated future cash flows, discounted at an effective interest rate. This loss is recognised in the Statement of Comprehensive Income. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of Comprehensive Income.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Financial risk management

Financial risk factors

The IDT's activities expose it to a variety of financial risks, which include market risk (currency risk, fair value interest rate risk), credit risk and liquidity risk. The management of these risks is disclosed under note 4 to the annual financial statements.

1.8 Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognised when the IDT has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expected future outflows of economic benefit required to settle the obligation.

1.9 Investment revenue

Investment revenue comprises returns earned on amounts invested with financial institutions. Interest is recognised as revenue on the effective interest method. Investment revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities when those inflows result in an increase in the Main Fund.

Notes to the annual financial statements for the year ended 31 March 2011

1. Accounting policies continued

1.10 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised only when the amount can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the entity.

1.11 Interest revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the IDT and the amount of revenue can be measured reliably. Interest revenue is accrued on a time proportion basis using the effective interest method. When a receivable is impaired, IDT reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate and treats the unwinding of the discount until settlement date as interest revenue.

1.12 Main Fund

The Main Fund is the residual interest in the assets after deducting all liabilities.

1.13 Finance expense

Finance expense includes interest and other expenditure incurred in connection with the borrowing of funds. Finance expenses directly attributable to the acquisition or production of qualifying assets are added to the cost of those assets. Finance expenses not incurred on qualifying assets are expensed in the period in which they are incurred. Finance expenses comprise interest on obligations under finance leases, and interest incurred on financial liabilities. Finance expense are recognised on a time proportion basis using the effective interest method.

1.14 Post statement of financial position event

Recognised amounts in the financial statements are adjusted to reflect events arising after the Statement of Financial Position date that provide evidence of conditions that existed at Statement of Financial Position date. Events after the Statement of Financial Position date that are indicative of conditions that arose after the Statement of Financial Position date are dealt with by way of a note.

1.15 Related party transactions

Parties are considered to be related to the IDT if either party, directly or indirectly, has the ability to control or jointly control or exercise significant influence over the other party in making financial and operational decisions or is a member of the key management of the IDT.

1.16 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised. It is recognised as an asset until such time as the expenditure is recovered, based on the probability of it being recovered, or written off as irrecoverable in the Statement of Comprehensive Income.

1.17 Irregular expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation. It is charged to the Statement of Comprehensive Income.

1.18 Non-current assets held for sale

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the non-current assets are available for immediate sale in their present condition and management is committed to the sale which should be expected to qualify for recognition as a sale within one year from the date of classification.

Immediately prior to being classified as held for sale, the carrying amount of the item is measured in accordance with the applicable standard. After classification as held for sale it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognised in the Statement of Comprehensive Income for any initial and subsequent write down of the asset to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognised in the Statement of Comprehensive Income to the extent that it is not in excess of the cumulative impairment loss previously recognised.

1. Accounting policies continued

1.19 Employee benefit expense

Employee benefit costs include all forms of consideration given in exchange for services rendered by employees. The cost of providing employee benefits is recognised in the Statement of Comprehensive Income in the period they are earned by employees. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance. Contributions to defined contribution plans are expensed as they accrue. IDT has no defined benefit plan for employees.

Liabilities for wages and salaries and annual leave provision expected to be settled within twelve months of the reporting date, are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Termination benefits are payable whenever an employee's employment is terminated before normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The IDT recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

1.20 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the IDT or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities in the Statement of Financial Position.

1.21 Cash and cash equivalents

Cash and cash equivalent are initially measured at fair value and subsequently measured at amortised cost. For the purposes of the Statement of Financial Position, cash and cash equivalents comprise cash-on-hand and deposits held on call with banks. For the purposes of the Statement of Cash Flow, cash and cash equivalents comprise cash-on-hand, deposits held on call with banks less bank overdrafts which form part of IDT's cash management.

1.22 Comparative figures

Comparative figures are reclassified or restated as necessary to afford a proper and more meaningful comparison of results as set out in the affected notes to the annual financial statements. Comparative figures are restated in the event of a change in accounting policy or prior period error.

Notes to the annual financial statements for the year ended 31 March 2011

2. Critical accounting estimates and judgements

In the application of the IDT's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates will, by definition, rarely equal the actual results achieved. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities are discussed below. Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and assumptions do however affect the reported amounts of assets and liabilities at the Statement of Financial Position date, as well as the reported income and expenditure recorded in the Statement of Comprehensive Income. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical assumptions and judgements in applying accounting policies

The following are the key assumptions and judgements concerning the future, that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities within the next financial year:

2.1 Useful life and residual value of property and equipment

The IDT depreciates or amortises its assets over their estimated useful lives, as more fully described in the accounting policies for property and equipment and intangible assets. The estimation of the useful lives of assets is based on historic performances as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and repair and maintenance. When determining the residual value for property and equipment the following factors are taken into account:

- (1) External residual value undertaken by an independent sworn appraiser for the building; and
- (2) An internal review of the condition of equipment being used.

During the review, management determined that the useful lives of certain equipment should be lengthened, due to the condition and the continuous use of certain of the assets. The financial effect of this assessment, assuming the assets are held until the end of their revised estimated useful lives, is to reduce the depreciation expense in the current financial year. The annual depreciation charge will be adjusted for any changes in these estimates (refer to note 17). These estimates are based on management's experience, knowledge and current expectations.

2.2 Average discount rate used on financial assets and liabilities

In accordance with IAS 39, financial assets and liabilities are discounted at a present value using the average yield on the investment portfolio of the IDT. The IDT bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The IDT has consistently used the average yield on the investment portfolio for the last four financial years in discounting financial assets and liabilities.

2.3 Impairment of assets

Property and equipment and intangible assets are assessed for impairment at least annually, as more fully described in the accounting policy in respect of impairment and notes 9 and 17. The market conditions and the expected lives of each of these assets are discussed in more detail in the notes to the annual financial statements.

2.4 Write off of fund recoverables

A significant degree of judgement is applied by management when considering whether a debtor is recoverable or not. The following factors are taken into account when considering whether a debtor is impaired:

- (1) History of the specific client department with the IDT;
- (2) Indications of financial difficulties or funds committed to other commitments by the client department;
- (3) General economic conditions and the ability of the client department to obtain government funding based on their MTEF submissions to National Treasury.

2. Critical accounting estimates and judgements continued

2.5 Fair value determination

The carrying values of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair value.

3. Categories of financial instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expense) for each class of financial asset and financial liability are disclosed in the accounting policies above.

	Classification	R'000	R'000
Financial assets			
Investments with financial Institutions – Non-current	Fair value through profit and loss	95 126	116 994
Investments with financial Institutions – Current	Fair value through profit and loss	320 423	535 038
Trade and other receivables	Loans and receivable at amortised cost	26 540	28 650
Funds due to programme principals	Loans and receivable at amortised cost	(4 725)	5 689
Cash and cash equivalents	Loans and receivable at amortised cost	28 062	5 040
Financial liabilities			
Finance leases	Financial liabilities at amortised cost	–	–
Short-term portion finance lease	Financial liabilities at amortised cost	–	51
Trade and other payables (includes accrued expenditure)	Financial liabilities at amortised cost	28 429	26 255

The carrying amounts reflected above represent the IDT's maximum exposure to credit risk for loans and receivables.

4. Management of risk

4.1 General

The IDT has exposure to the following risks: Market, interest rate, credit and investment risk. The Board is responsible for strategic risk management within the IDT and tasks the Audit Committee with ensuring effective risk management. The purpose of the IDT risk-management strategy is to identify the risks and ensure that the overall risk profile remains at acceptable levels. The risk-management strategy provides reasonable, but not absolute, assurance that risks are being adequately managed.

The IDT risk policy sets out the minimum standards of risk management to be adopted and adhered to by all units within the IDT. The risk policy is established to identify and analyse the risks faced by the IDT, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk-management policies and systems are reviewed regularly to reflect changes in market conditions and IDT activities. The risk-management strategy, which has been reviewed and updated in the current year, contains processes for identifying both the impact and likelihood of such risk occurring. Risks that have been identified as having a potentially severe impact on the IDT are regarded as unacceptable and, where possible, will be avoided.

Responsibility for adherence to the IDT risk-management strategy is headed by the General Manager: Compliance, who has access to the Audit Committee and members of the Executive Committee.

4.2 Management's responsibilities

Management is responsible for the identification, assessment and control of all key risks facing the IDT, functions and processes under their control. In addition, management is required to manage all risks under their control that contribute to the IDT's risk profile. A documented formal policy framework has been put in place in order to achieve the following:

- place accountability on management for designing, implementing and monitoring the process of risk management;
- place responsibility on management for integrating the risk-management process into the day-to-day activities and operations of the IDT; and
- ensure that the risk management strategy is communicated to all stakeholders.

Notes to the annual financial statements for the year ended 31 March 2011

4. Management of risk continued

4.2 Management's responsibilities continued

To assist the IDT's Risk Committee in discharging its responsibilities, it has;

- assigned risk management responsibilities to certain members of the Risk Committee; and
- appointed a Risk Champion to develop, communicate, co-ordinate and monitor risk.

The General Manager: Compliance, is required to monitor the status of risk within the IDT and to report on any material changes to the risk profile and any losses incurred as a result thereof. Management is expected to put in place appropriate controls for these risks and provide assurance that such controls perform as intended.

4.3 Financial risk profile

Risk management relating to each of these risks is discussed under the headings below. The financial risks the IDT primarily faces are market risk (interest rate risk), investment risk and credit risk.

4.3.1 Market risk management

The IDT's activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the IDT's exposure to market risk or the manner in which it manages and measures the risk.

4.3.2 Interest rate risk management

Interest rate risk arises primarily from IDT's investment strategy to ensure capital preservation in line with IDT's investment policy. As a result of this exposure to interest rate risk, Fund Managers manage the investments according to their investment mandate. Performance of each Fund Manager is reviewed on a monthly basis by an outside independent expert. The nature of IDT's exposure to interest rate risk and its objectives, policies and procedures for managing interest rate risk have not changed significantly from the prior period.

Fund Managers' returns for the year	2011 %	2010 %
Cadiz Asset Management	8,04	8,28
RMB Asset Managers	7,59	9,12
Returns for the year	7,64	8,70
Fund benchmark	7,68	9,19

Sensitivity analysis

In managing interest rate risk, the Investment Committee of the IDT reviews the investment strategy on a regular basis to ensure that the highest returns are achieved. The funds will only be invested with reputable financial institutions. It is estimated that, by increasing the returns by 100 basis points on the amounts invested, a further R5,2 million will be earned in investment income in the Statement of Comprehensive Income. As capital is applied in pursuit of poverty eradication, the amount available will gradually diminish which will reduce the sensitivity to interest rates as the Main Fund diminishes over time.

4.3.3 Investment risk management

IDT funds are invested in money market financial instruments and in government, parastatal and corporate bonds as defined in the investment strategy which, due to their liquid nature, allow immediate access to these funds. Money market instruments are invested in institutions which have at least an A+ rating to ensure capital preservation in line with the IDT's investment strategy. It is not the intention of the IDT to hold the bonds to maturity but to allow for flexibility in order to maximise yield. An independent expert monitors the performance of the Fund Managers to ensure that the returns are achieved within the parameters of the IDT cash requirements (refer above to Fund Managers' returns on investments).

4. Management of risk continued

4.3 Financial risk profile continued

4.3.4 Credit risk management

Credit risk is the risk of financial loss to the IDT if a customer or counterparty defaults on its contractual obligations to the IDT. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. The carrying value for trade and other receivables, net of impairment, amounts to R26,5 million (2010: R28,7 million). The IDT only transacts with various government institutions who have no independent rating. Other receivables consist mainly of management fees in the amount of R22 million (2010: R16,1 million). The IDT does not have any significant credit risk exposure to any single counterparty having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Government departments have no independent rating, however, based on historical experience and other factors, none of the amounts due to the IDT are impaired.

IDT's key areas of exposure to credit risk in the current financial year include:

- Amounts due from programmes for management fees;
- Amount due from programme principals not recovered at year-end;
- Amounts due from SARS in respect of VAT; and
- Cash and cash equivalents held with financial institutions.

The nature of IDT's exposure to credit risk and its objectives, policies and processes for managing credit risk have not changed significantly from the prior period.

Exposure to credit risk	2011 R'000	2010 R'000
Cash and cash equivalents	28 062	5 040
Investments held with financial institutions	415 549	652 032
Trade and other receivables	26 540	28 650
Funds due to programme principals	(4 725)	5 689

Cash and cash equivalents held with reputable financial institutions are used for investing and cash-handling purposes.

The carrying values of the above financial assets are net of any impairment and approximate their fair value.

None of the amounts disclosed above have been pledged as security or collateral for liabilities or contingent liabilities nor have any amounts been renegotiated or defaulted on.

4.4 Investments with approved institutions

	%	2011 R'000	2010 R'000
Money market and bonds with a maturity date of less than 1 year	77,1	320 422	535 038
Bonds with a maturity date of:			
1 – 3 years	13,7	57 126	40 258
3 – 7 years	3,4	14 041	42 901
7 – 12 years	3,9	16 184	18 669
12 + years	1,9	7 776	15 166
	100,0	415 549	652 032

Funds are invested in money market financial instruments and in government, parastatal and corporate bonds issued by local reputable financial institutions.

Notes to the annual financial statements for the year ended 31 March 2011

4. Management of risk continued

4.4 Investments with approved institutions continued

	Minimum stand alone rating	Portfolio market value limit
Bills, bonds and securities issued by government	N/A	No limit
Deposits with and balances in current and savings account	A+1	35%
Bills, bonds and securities issued or guaranteed by Local Authorities Utilities (per issuer) or major banks	AAA	35%

4.5 Ageing of financial assets

4.5.1 Trade and other receivables

	%	2011 Carrying amount R'000	2010 Carrying amount R'000
Current	43,0	11 258	18 731
30 – 60 days	5,0	1 307	(15 239)
60 – 90 days	7,0	1 952	593
Greater than 90 days	45,0	11 875	24 525
	100,0	26 392	28 610

The amounts above represent management fees due from programme principals.

IDT does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year.

The carrying amount approximates fair value because of the short period of recovery (par 27, IFRS 7)

4.5.2 Funds (due to)/recoverable from programmes

	%	2011 Carrying amount R'000	2010 Carrying amount R'000
Current	0,0	–	–
30 – 60 days	0,0	–	–
60 – 90 days	0,0	–	–
Greater than 90 days	100,0	(4 723)	5 689
	100,0	(4 723)	5 689

IDT does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current year or prior year. Amounts due from programme principals are spread across various departments. Based on expectations at the end of the reporting period, the IDT considers that it is likely that the amounts will be recoverable.

The carrying amount approximates fair value because of the short period of recovery.

4. Management of risk continued

4.6 Trade and other payables

Maximum exposure to financial liabilities

The fair value of borrowings, together with the carrying amounts shown in the Statement of Financial Position, is as follows:

	%	2011 Carrying amount R'000	2010 Carrying amount R'000
Current	97,92	27 839	9 197
30 – 60 days	0,00	–	(1 248)
60 – 90 days	0,00	–	–
Greater than 90 days	2,08	590	17 512
	100,00	28 429	25 461

IDT has no significant exposure on finance leases where the increase in interest rates could impact the amount owed. The carrying amount approximates fair value because of the short period of settlement.

4.7 Fair value of financial asset and liabilities

Except as detailed in the table under note 3, management considers that the carrying amounts of financial assets and liabilities recognised at amortised cost in the financial statements approximate their fair value. The valuation techniques and assumptions applied for the purposes of measuring fair value are determined as follows:

Property, equipment and Intangible assets

The fair value of property is based on market valuation. The market value of the IDT property was determined based on an independent valuation, which conforms to the valuation standards based on the income capitalisation method of valuation. The market values of other assets are based on formal third party offers.

Investments

The carrying value of investments with financial institutions are carried at fair value.

Trade and other receivables and payables

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash outflows and inflows at the average yield on the investment portfolio.

Borrowings

For finance leases the market rate of interest is determined by reference to similar lease agreements.

	2011 R'000	2010 R'000
5. Revenue		
Management fees received	81 205	36 586
Management fees are earned from the implementation of programmes on behalf of various government departments.		
6. Investment revenue		
Money market	33 485	51 353
Bond market	–	7 266
	33 485	58 619

Gains derived on financial assets invested with financial institutions held at fair value through the Statement of Comprehensive Income.

Fees charged by Fund Managers to administer the funds on behalf of the IDT amount to R914 000 (2010: R1,3 million) included under administrative expenditure in note 10.

Notes to the annual financial statements for the year ended 31 March 2011

	2011 R'000	2010 R'000
7. Interest revenue		
Interest revenue	488	1 438
Interest (calculated using the effective interest method) on financial assets not held at fair value and adjusted through the Statement of Comprehensive Income	274	196
	762	1 634
Actual gains derived on financial assets held with financial institutions at fair value through the Statement of Comprehensive Income.		
8. Other income		
Sale of tender documents to tenderers	1 261	699
Other income	6	36
Funds recoverable from programmes	–	5 675
	1 267	6 410
Funds recoverable from programmes represents amounts previously written down and subsequently recovered in the current financial year. Refer to note 13 for amounts written off in previous financial years.		
9. Other losses		
Impairment of assets	513	299
Profit on disposal of equipment	42	24
	555	323
Loss on impairment and disposal of assets held at fair value through the Statement of Comprehensive Income.		
10. Expenses for the year		
Deficit for the year has been arrived at after charging:		
Depreciation and amortisation expense		
Depreciation on equipment		
– Computer equipment	2 118	2 407
– Canteen	16	18
– Furniture and fittings	805	812
– Office equipment	3 128	1 124
– Motor vehicles	67	30
Amortisation of computer software	443	513
Change in estimate	(281)	228
	6 296	5 132
Employment expense		
Wages and salaries	188 339	181 433
– Remuneration	188 052	181 364
– Performance awards	286	62
– Arbitration award	1	7
Third party contributions	30 314	30 161
– Medical	7 982	7 932
– UIF	1 105	1 475
– Official unions and associations	84	84
– Retirement benefits	21 143	20 670
Total employment expense	218 653	211 594

	2011 R'000	2010 R'000
10. Expenses for the year continued		
<i>Administration expenses</i>		
External audit fees	2 970	2 492
Consultancy fees	34 041	29 207
Entertainment	389	797
Fund management fee	914	1 330
Insurance	1 151	2 039
Legal fees	2 384	1 396
Media communications	3 077	3 969
Recruitment fees	488	1 153
Rentals in respect of operating leases		
– Buildings	7 319	7 442
Telephone	5 726	4 255
Travel and accommodation	25 430	29 333
Trustees' remuneration	996	999
Workshop, conferences and seminars	6 182	7 299
Maintenance and repairs	2 095	866
Leasehold improvements	628	2 284
Internal audit	1 363	2 400
Development initiatives	5 667*	10 637*
Other	26 126	26 037
	126 946	133 935
<i>* Note: The detail of the development initiatives undertaken are as follows:</i>		
<i>Re Tlisa Diphetoho Initiatives</i>	–	4 041
<i>100 days/other</i>	3 133	6 596
<i>Xenophobia</i>	2 534	–
<i>Cholera</i>	–	–
11. Finance expenses		
Interest on obligations under finance lease	3	16
Interest (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss	159	240
Sub-total	162	256
Interest on bank overdraft	13	1
	175	257
12. Fair value gains/(losses) on investments		
Unrealised profit/(loss) on money market	(69)	7 786
Unrealised profit/(loss) on bonds	5 417	268
Realised profit/(loss) on money market	(1)	(92)
Realised profit/(loss) on bonds	1 431	(1 808)
	6 778	6 154
These are realised and unrealised profit and losses recognised on investments invested in the bond and money markets and include fair value adjustments incurred in the relevant assets.		

Notes to the annual financial statements for the year ended 31 March 2011

	2011 R'000	2010 R'000
13. Other expenses		
Fruitless and wasteful expenditure	900	319
Write down of programme recoverables	-	29 603
Programme expenditure	1 986	-
Mud School Eradication Programme	11 531	44 273
	14 417	74 195
Refer to note 15 on fruitless and wasteful expenditure.		
Based on an impairment review performed, a reversal of R nil (2010: R29,6 million) relating to prior year programme recoverables, was considered irrecoverable and has been written down through the Statement of Comprehensive Income. The write-down was the culmination of extensive work done by the organisation covering a multi-year period.		
Programme recoverables in the amount of R nil (2010: R5,7 million) written off in the previous financial year has subsequently been recovered in the current year, refer to note 8.		
IDT's Mud School Eradication Programme was approved by the Board to assist Provincial Departments of Education (DOE) with the replacement of dilapidated schools. The IDT Board authorised and approved expenditure on the Mud School Eradication Programme in the amount of R150 million over a three-year period (refer to note 31). Total spend on this programme to 31 March 2011 was R149,9 million.		
14. Taxation		
No provision is made for taxation as the IDT was exempted from income tax in terms of section 10(1)(cN) of the Income Tax Act, 1962, as amended. The IDT has been approved as a Public Benefit Organisation in terms of section 30 of this Act.		
15. Fruitless and wasteful expenditure		
This related to interest in respect of late payments of telephone, Compensation Commissioner and operating lease rentals during the year	900	319
16. Contingent liability		
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for work done and has been subsequently placed on hold. The IDT will defend the matter	2 516	2 516
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment. IDT disputes the quantum of the amount and will defend this matter	2 490	2 490
IDT is a defendant in a legal action where an entity has instituted legal proceedings against the IDT. IDT has filed the notice of intention to defend the matter and will proceed with litigation	445	445
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for alleged repudiation of the agreement with the IDT. IDT has not entered into any agreement with the entity, and neither has the entity rendered any services to the IDT. Based on legal advice the action can be successfully defended	481	481
IDT is a defendant in a legal action where the entity has instituted summons against the IDT for alleged goods sold and delivered to the IDT. IDT believes that this claim is fraudulent, and is accordingly investigating the claim. Based on legal advice, the action can be successfully defended	-	371
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for alleged services rendered to the IDT. IDT has filed a notice of intention to defend the matter and will proceed with litigation	326	326

	2011 R'000	2010 R'000
16. Contingent liability continued		
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for alleged services rendered to the IDT. IDT believes that the entity breached the agreement between itself and the IDT, in particular the entity failed to proceed with due diligence and failed to complete the services by the due date. IDT is entitled to recover penalties from the entity due to the delay. Based on legal advice the action can be successfully defended	773	909
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment. IDT has referred the matter of non-payment to the Department for approval of the payment of disbursements and any other costs relating to the project	414	414
IDT is a defendant in a legal action brought against it by a previous employee appointed on the Asgisa programme. The matter has been defended and is now at the plea stage	–	1 398
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment. IDT has referred the matter of non-payment to the Department for approval of the payment of disbursements and any other costs relating to the project	–	513
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment. IDT has referred the matter of non-payment to the Department for approval of the payment of disbursements and any other costs relating to the project	93	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment	3 522	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for alleged services rendered to the IDT. IDT has filed a notice of intention to defend the matter and will proceed with litigation	482	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment of services rendered	294	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment of services rendered	11	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment. IDT has referred the matter of non-payment to the Department for approval of the payment of disbursements and any other costs relating to the project	515	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment of services rendered	32	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment of services rendered	131	–
IDT is a defendant in a legal action where an entity has instituted summons against the IDT for non-payment of services rendered	2 342	–

Notes to the annual financial statements for the year ended 31 March 2011

	2011 R'000	2010 R'000
17. Property and equipment		
Cost	59 196	59 370
Impairment	(3 502)	(968)
Disposals	(133)	(62)
Change in estimate	(281)	228
Accumulated depreciation	(18 533)	(19 429)
Net carrying amount	36 747	39 139
Canteen equipment	109	118
Furniture and fittings	4 450	5 368
Computer equipment	4 991	5 588
Office equipment	7 892	9 061
Motor vehicles	450	149
Land	4 000	4 000
Buildings	14 855	14 855
Net carrying amount	36 747	39 139

	Canteen equip- ment R'000	Furniture and fittings R'000	Computer equip- ment R'000	Office equip- ment R'000	Motor vehicles R'000	Land R'000	Buildings R'000	Totals R'000
Cost or valuation								
Balance at 1 April 2009	134	7 436	13 635	9 921	116	4 000	16 922	52 164
Additions	33	845	2 317	5 215	149	-	-	8 559
Disposals	-	(3)	(75)	(8)	-	-	-	(86)
Impairment	(1)	(29)	(1 073)	(164)	-	-	-	(1 267)
Balance at 1 April 2010	166	8 249	14 804	14 964	265	4 000	16 922	59 370
Additions	12	164	1 460	2 043	348	-	-	4 027
Impairment	(18)	(879)	(2 880)	(238)	-	-	-	(4 015)
Disposals	(1)	(51)	(105)	(29)	-	-	-	(186)
Balance at 31 March 2011	159	7 483	13 279	16 740	613	4 000	16 922	59 196
Accumulated depreciation and impairment								
Balance at 1 April 2009	30	2 053	7 721	4 685	86	-	2 067	16 642
Disposals	-	(2)	(56)	(4)	-	-	-	(62)
Impairment	-	(18)	(846)	(104)	-	-	-	(968)
Change in estimate	-	36	(10)	202	-	-	-	228
Depreciation	18	812	2 407	1 124	30	-	-	4 391
Balance at 1 April 2010	48	2 881	9 216	5 903	116	-	2 067	20 231
Depreciation	16	805	2 118	3 128	67	-	-	6 134
Impairment	(13)	(592)	(2 731)	(166)	-	-	-	(3 502)
Disposals	(1)	(35)	(80)	(17)	-	-	-	(133)
Change in estimate	-	(26)	(235)	-	(20)	-	-	(281)
Balance at 31 March 2011	50	3 033	8 288	8 848	163	-	2 067	22 449
Carrying amount								
As at 31 March 2010	118	5 368	5 588	9 061	149	4 000	14 855	39 139
As at 31 March 2011	109	4 450	4 991	7 892	450	4 000	14 855	36 747

17. Property and equipment continued

As required by IAS 16, IDT has reviewed the useful lives and residual values of property and equipment. The review resulted in an adjustment to the residual values and useful lives of equipment in the current year. The review led to the recognition of an impairment of R513 000 (2010: R299 000), that has been recognised in the Statement of Comprehensive Income.

Included in the amounts above for office equipment are assets held under finance leases with a net book value of R125 000 (2010: R347 000).

The IDT no longer depreciates the owner-occupied building until such time as the residual value decreases below the carrying amount in accordance with IAS 16, par 54.

Estimates and judgements are evaluated annually and are based on historical experience and other factors. Management has considered the impact of IAS 16 on the annual financial statements for the year ended 31 March 2011 and the assumptions made in respect to useful life on property and equipment are as follows:

With the continuous changes in technology, computer equipment is replaced on average every five years. The straight-line method is still deemed to be a true reflection of the write off period. However, computer equipment with a remaining useful life of less than one year, which is still currently being used by the IDT, will be extended by a further three years. Where computer equipment whose useful life was extended by a further three years and is still in use, it will be extended by a further two years and thereafter will be either impaired or extended by a further year.

A significant portion of furniture and fittings have been on the asset register for a period exceeding its initial useful life expectancy. Furniture and fittings with a remaining useful life of less than one year, still in good condition and currently still being used by the IDT, it will be extended by another three years. Where furniture and fittings whose useful life was extended by a further three years and is still in use, it will be extended by a further two years and thereafter will be either impaired or extended by a further year.

The motor vehicle which has a remaining useful life of less than one year which is still in good condition and is still currently being used by the IDT will be extended by a further three years.

Management has reviewed the useful life on both office and canteen equipment and believes that the straight-line method of 10 years is still deemed to be a true reflection of the write off period.

Equipment is tested for impairment whenever there is an indication that the asset may be impaired in accordance with the requirements of IAS 36. The impairment losses have been included in the line item Other expenses in the Statement of Comprehensive Income.

None of the property or equipment has been pledged as security or collateral for liabilities.

The estimation of the useful lives of equipment is based on historical performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. These depreciation rates represent management's current best estimate of the useful lives of the assets.

Freehold land and buildings

An independent valuation of the IDT's land and buildings was performed by Val-co to determine the residual value and useful life of the land and buildings. The valuation, which conforms to the valuation standards, was determined by reference to the income capitalisation method of valuation. The effective date of the valuation was 25 February 2011.

The depreciation periods applicable to each category of property and equipment are as follows:

Canteen equipment	10 years
Computer equipment	5 – 10 years
Furniture and fittings	10 – 15+ years
Motor vehicles	8 years
Office equipment	3 – 10 years
– Owner-occupied building	50 years

Notes to the annual financial statements for the year ended 31 March 2011

Computer
software
R'000**18. Intangible assets**

Cost or valuation

Balance at 1 April 2009	4 459
Additions	311

Balance at 1 April 2010	4 770
Additions	245
Impairment	(1 119)

Balance at 31 March 2011	3 896
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Accumulated amortisation and impairment

Balance at 1 April 2009	3 786
Amortisation	513

Balance at 1 April 2010	4 299
Amortisation	444
Impairment	(1 119)

Balance at 31 March 2011	3 624
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Carrying amount

As at 31 March 2010	471
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As at 31 March 2011	272
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Computer software is amortised over its useful life using the straight-line method (finite useful life). The amortisation expense has been included under the line item Depreciation and amortisation expense in the Statement of Comprehensive Income.

Management has reviewed the useful life of computer software and believes that the straight-line method of two years is still deemed to be a true reflection of the write off period. The estimation of the useful lives of software is based on historical performance as well as expectations about future use. The amortisation rate represents management's current best estimate of the useful lives of the assets.

Intangible asset	2 years
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	2011 R'000	2010 R'000
19. Investments with financial institutions		
Cash and short-term investments (maturity less than one year)	320 423	535 038
Long-term fixed interest	95 126	116 994
	415 549	652 032
	Percentage of total investments	
	2011	2010
Cash and short-term investments (maturity less than one year)	77,1	82,0
Long-term fixed interest	22,9	18,0
	100,0	100,0

The funds are invested in money market financial instruments and in government, parastatal and corporate bonds issued by reputable local financial institution which, due to their liquid nature, allows immediate access to the funds. The duration of the portfolio is determined by the term of the fixed interest bonds. It is not the intention of the IDT to hold the bonds to maturity but to allow for flexibility in order to maximise yield.

The average duration of the portfolio is 0,53 years which is in line with the approved mandate. The average yield on the portfolio for the year ended 31 March 2011 is 7,64% (2010: 8,7%). An independent expert monitors the performance of the Fund Managers and confirms the fair value of the investments at year-end.

None of the investments has been provided as security or collateral for liabilities or contingent liabilities or is past due. Fair value gains and losses on the underlying investments are disclosed separately in the Statement of Comprehensive Income and notes to the financial statements (refer note 12).

	2011 R'000	2010 R'000
20. Trade and other receivables		
VAT refundable	3 460	9 705
Other receivables	23 080	18 945
	26 540	28 650
<p>Trade and other receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. No interest is charged on any outstanding balance due. Included in other receivables is an amount of R22,0 million (2010: R16,1 million) which represents the balance of management fees to be recovered from programmes.</p> <p>Trade and other receivables disclosed above that are past due, are not impaired at year-end as there is no significant change in credit quality and therefore are still considered recoverable.</p> <p>None of the trade or other receivables has been pledged as security or collateral for liabilities or contingent liabilities nor have any terms of any receivable been renegotiated. Management fees on programmes are recovered immediately once raised.</p> <p>The carrying amount approximates fair value because of the short period to maturity. The quality of trade receivables are discussed further under note 4.5.</p>		
21. Funds due (to)/from programme principals	(4 725)	5 689
<p>The balance represents funds due to programme principals. Impairment reviews are conducted regularly and, where in the opinion of management, the recovery is doubtful, the impairment is written off through the Statement of Comprehensive Income.</p> <p>None of the funds recoverable from programmes has been pledged as security or collateral for liabilities or contingent liabilities nor have any terms of any receivable been renegotiated or amounts owed have been defaulted on. Although certain amounts are past due, management is of the opinion that the amounts due are recoverable. The expected recovery period is not more than 6 months.</p>		
22. Cash and cash equivalents	28 062	5 040
<p>For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and money held in call accounts. Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position.</p> <p>Cash and cash equivalents are placed with reputable financial institutions. Guarantees, issued in favour of lessors for the renting of office premises, are neither negotiable nor transferable, and are further restricted to the payment of the sum of money limited to the guaranteed amount of R459 000 (2010: R457 000).</p>		
23. Main funds		
Balance at the beginning of year	680 310	993 170
Prior period errors	953	3 173
Deficit for the year	(243 545)	(316 033)
Balance at the end of the year	437 718	680 310
(Refer to note 28 for prior period errors.)		

Notes to the annual financial statements for the year ended 31 March 2011

	2011 R'000	2010 R'000
24. Finance leases		
<i>Obligations under finance leases</i>		
Finance leases relate to printers with a lease term of three years. IDT does not contractually have the option to buy the equipment for a nominal amount at the conclusion of the lease agreement.		
<i>Reconciliation of minimum lease payments</i>		
Minimum lease payments	-	54
No later than one year	-	54
Later than one year and not later than five years	-	-
Finance expense	-	(3)
Present value of minimum lease payments	-	51
No later than one year	-	51
Later than one year and not later than five years	-	-
The weighted average interest rate applicable to the finance leases did not exceed 15% (2010: 16,4%).		
The underlying assets are considered to be security for the finance lease liability. There were no defaults or breaches of the contractual terms of the finance leases during the financial year. The carrying amounts of the finance lease were not materially different from the fair values of equipment at year-end (refer to note 17).		
25. Trade and other payables		
Trade and other payables	28 429	26 255
The IDT recognises trade payables at fair value and subsequently measures them at amortised cost using the effective interest method. In accordance with IAS 39, trade payables are discounted at a present value of 7,64% (2010: 8,7%) from the date of purchase by the IDT to the date of expected payment. There were no defaults on any amounts payable nor were there any amounts re-negotiated with suppliers of the IDT.		
26. Provisions		
<i>Leave</i>		
Opening balance	10 405	8 783
Utilisation of provisions during the year	-	-
Provisions made during the year	(107)	1 622
Closing balance	10 298	10 405
<i>Performance bonuses</i>		
Opening balance	14 000	21 249
Utilisation of provisions during the year	(14 000)	(21 249)
Provisions made during the year	26 000	14 000
Closing balance	26 000	14 000
<i>Total provisions</i>		
Opening balance	24 405	30 032
Utilisation of provisions during the year	(14 000)	(21 249)
Provisions made during the year	25 893	15 622
Closing balance	36 298	24 405
The provision for leave expense represents annual leave and vested long service leave entitlements accrued to employees. Provision for performance bonuses are based on the application of a three-tier performance management system. Performance bonuses are paid within four months after the financial year-end.		

	2011 R'000	2010 R'000
27. Related party transaction		
The IDT acts as a programme implementation manager on behalf of a number of government departments. The IDT is a public entity whose Executive Authority is the Minister of Public Works and which reports to Parliament through the Department of Public Works.		
27.1 Accordingly, departments at national level are treated as related parties. The value of work undertaken on behalf of these departments is as follows:		
Department of Public Works	209 419	183 684
Department of Water Affairs & Forestry	44 243	57 417
Department of Justice	345 874	99 989
Department of Agriculture	970	–
	600 506	341 090
27.2 Management fees charged for the year included under revenue		
Department of Water Affairs & Forestry	4 506	625
Department of Justice	12 438	2 012
Department of Public Works	14 774	4 100
	31 718	6 737
27.3 Management fees outstanding at year-end included under other receivables:		
Department of Water Affairs & Forestry	1 643	98
Department of Justice	468	103
Department of Public Works	1 736	552
	3 847	753
27.4 Mud School Eradication Programme		
Provincial Departments of Education	11 531	44 273
27.5 Remuneration of Trustees		
Board of Trustees	Fees for Trustees R'000	
Ms P Radebe (Chairperson)	309	
Dr M Tom (Deputy Chairperson) and Sub-Committee Chairperson	86	
Mr K Tiya (Fees paid directly to Mr Tiya's employer: R22 000)	114	
Ms Z Mdhladhla (Sub-Committee Chairperson)	106	
Ms T Mpumlwana	121	
Ms T Nkamba-Van Wyk	96	
Ms G Downing (Sub-Committee Chairperson)	104	
Mr B Mokgoro (Independent Member of Audit and Finance Committee)	60	
Total	996	
Comparative for 2010	999	

Notes to the annual financial statements for the year ended 31 March 2011

27. Related party transaction continued

27.6 Remuneration of Executives

	Salary R'000	Provident fund contri- butions R'000	Leave encash- ment R'000	Per- formance bonus R'000	Total R'000
Chief Executive Officer (CEO) – Ms T Nwedamutswu	2 194	378	–	453	3 025
Executive in the Office of the CEO – Prof E Vries	1 532	262	129	260	2 183
Executive Head Corporate Services Unit – Ms P Maesela (Resigned December 2010 – Salary includes severance package of R1,014 million)	2 056	158	–	218	2 432
Acting Executive Head Corporate Services Unit – Mr F Guma (Appointed 1 December 2010)	653	86	–	–	739
Chief Financial Officer – Mr T Moir (Resigned 31 August 2010)	980	67	–	232	1 279
Chief Financial Officer – Mr I Ellis (Appointed in an acting capacity on 1 September 2010 – 31 January 2011)	767	153	–	–	920
Executive Head Development Programme Services – Mr A Wakaba	1 640	229	–	299	2 168
Executive Regional Operations – Dr S Bhebhe	1 444	248	60	243	1 995
Executive Integrated Development Services – Mr V Mthintso	1 239	212	–	205	1 656
Total	12 505	1 793	189	1 910	16 397
Comparative for 2010	10 310	1 430	–	2 513	14 253

The remuneration of Executives is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

All Executives have given general declarations of interests. These declarations cover other directorships in South African entities.

	2011 R'000	2010 R'000
27.7 Other related parties		
27.7.1 Office space		
Lease rental	369	336
Parking bays	11	10
Office space offered to SAWIC/SAWID at no cost		

	2011 R'000	2010 R'000
28. Prior period errors		
28.1 Property and equipment		
In reviewing the opening balances of fixed assets, assets had been understated and have subsequently been corrected.		
Decrease in net asset	-	-
28.2 Programme expenditure		
Payroll expenditure incurred on programmes were expensed erroneously in the Statement of Comprehensive Income and corrected in the current financial year.	3 871	4 952
Increase in net asset		
Expenditure incurred on a donor programme that was not previously recovered or expensed through the Statement of Comprehensive Income		
(Decrease) in net asset	-	(34)
28.3 Administrative expenditure		
Administrative expenditure that was incorrectly classified in the prior financial year has been corrected in the current financial year		
(Decrease)/Increase in assets	(435)	1 195
VAT claimed against South African Revenue Services in prior financial years not recovered, subsequently reversed in the current financial years		
(Decrease) in net asset	(211)	(2 210)
Programme expenditure erroneously written off in the 2008/9 financial year reversed in the current financial year		
Increase in net asset	-	439
Differences in the opening balance between age analysis and general ledger in accounts payable identified from prior years were corrected in the current financial year		
	-	(1 169)
28.4 Other expenditure		
Other expenditure that was incorrectly classified in the prior financial year has been corrected in the current financial year		
(Decrease) in net asset	(2 272)	-
Total prior year adjustments	953	3 173

Notes to the annual financial statements for the year ended 31 March 2011

	2011 R'000	2010 R'000
29. Cash generated from/(utilised in) operations		
Loss for the year	(243 545)	(316 033)
Investment income	(33 485)	(58 619)
Interest received	(762)	(1 438)
Interest paid	175	17
Fair value gains and losses on investments	(6 778)	(6 154)
Non-cash movements/Working capital changes	34 345	24 835
Depreciation	5 853	4 619
Impairment	513	299
Amortisation	444	513
Loss on disposal	42	24
Increase/(decrease) in payables	2 174	(35 228)
Increase/(decrease) in provisions	11 893	(5 627)
Decrease in short-term borrowings	(51)	(93)
Increase in funds from programmes	10 414	52 404
Reinstatement	953	3 173
Increase in receivables	2 110	4 751
Net cash flows from operating activities	(250 050)	(357 392)
30. Operating lease arrangements		
Lessee		
Payments recognised as an expense		
At the reporting date the IDT had outstanding commitments under non-cancellable operating leases, which fall due as follows:		
Up to 1 year	5 774	6 438
1 to 5 years	2 429	5 651
	8 203	12 089
The IDT has entered into various non-cancellable operating lease agreements in respect of rented premises. Leases are contracted for periods up to five years. The leases have varying terms, escalation clauses and renewal rights, but the IDT has no option to purchase the leased buildings at the expiry of the lease period. The basis on which rent is determined by the lessor is based on the existing rental market. There are no restrictions imposed by the lessors on any of the buildings leased. The lease expenditure is straight-lined and charged to the Statement of Comprehensive Income (refer to note 10).		
31. Capital commitments		
Capital commitments for the acquisition of equipment and approved expenditure on the Mud School Eradication Programme for which Board approval has been obtained.		
Authorised but not contracted for:		
Capital expenditure	6 000	4 450
Mud Schools Eradication Programme (refer to note 13)	-	11 558
	6 000	16 008
32. World Cup expenditure		
The IDT incurred no expenditure relating to 2010 FIFA World Cup clothing or tickets in the year ended 31 March 2011.		

Corporate performance summary

1. Strategic objective 1: *To attain sustainable livelihoods through people-centred development interventions*

Outcome	Output	Performance indicator	Target	Achieved	Reasons for variance
Community Empowerment and Participation	Community-based and driven development plans (LAP/CBPs)	Number of Local Area Plans (LAPs)/ CBPs concluded in priority municipalities.	13	19	Target exceeded. The participatory LAP process has positively impacted on the development of IDP's within municipalities
	Community development projects IDT initiated	Number of sustainable development projects initiated	13	22	The implementation of the ABCD model has contributed to the achievement of this target; and the endorsement of communities
	Representative participation of designated groups as per demographics of targeted communities	Representative participation of vulnerable groups maintained	Women: 50% Youth: 15% People with disabilities (PwD): 2%	Women: 49% Youth: 50% PwD: 3%	This target was exceeded in respect of youth and PwD as a result of deliberate targeting of vulnerable sectors and marginally under-achieved in respect of women. Key programmes deliberately targeted organisations of young people and people with disabilities
Responsive network of services and resources	Municipal support programmes providing location specific focused Institutional capacity building interventions	Number of municipal support programmes implemented in priority areas	10	15	Target exceeded. MSP projects have been initiated in six provinces to run over two to three years
	Diverse strategic and functional partnerships. Value from partnership expressed as total monetary value of resource leverage	Number of functional partnership agreements supporting the eradication of inter-generational poverty	16	13	The target was partially achieved. Given the lead time the IDT is comfortable with the impact and relevance of the agreements concluded with both private and public institutions
	5% of portfolio programme of R2 billion	Value generated from partnership	R100m	R94,6m	Target marginally not achieved due to challenges in the conclusion of agreements
Building Community Assets	Community assets delivered	Minimum number of classrooms	847	693	Negative variance due to public sector budget constraints
		Minimum number of health facilities	8	6	Negative variance due to public sector budget constraints
		Minimum number of community facilities	14	16	Target exceeded. The positive variance is largely as a result of the increase in the business portfolio in KZN
		Minimum number of co-operatives supported	147	393	This target was exceeded and largely propelled by the Premier's Flagship Programme in KZN

Corporate performance summary continued

2. Strategic objective 2: *To pioneer innovative development solutions*

Outcome	Output	Performance indicator	Target	Achieved	Reasons for variance
Knowledge generation	Approved research agenda	Review and update strategic research agenda	Concluded by 31 March 2011	Done	Achieved. Research agenda reviewed and updated and approved by Exco
	Models for community-driven development formulated and piloted	Number of community-driven development models documented and approved	2	2	Target achieved. The ABCD model was piloted in community dialogues The Community Engagement Approach was formulated and institutionalised and is being applied in the National Sanitation Programme
Advocacy in poverty eradication	IDT participates in strategic policy and/or knowledge-sharing platforms	Membership of national and provincial strategic fora	13	17	Target exceeded. The IDT participated in at least one policy forum in each province and three national platforms
	Learning from and contributing to the international development discourse	Number and significance of international relationships/representation	6	7	Target exceeded. The growing recognition of unique role in the development sector has facilitated the seven international partnerships and participation in international development platforms
Development solutions	Knowledge-driven intervention and outputs	Number of development dialogues	7	10	Target exceeded. Convened 10 dialogues which were robust, with a range of participation
		Number of papers/presentations developed and presented	12	12	Target achieved. Delivered nine papers/presentations externally and three at internal policy fora
Balanced portfolio of programmes	Portfolio of public mandated programmes	Value of public mandated programmes portfolio	R2bn	R2,58bn	IDT sought new business to minimise the impact of the delays in the transfer of programme funds
	Value of total public mandated programme spend	Value of public mandated programme spend	R1,6bn	R2,272bn	Largely due to the delivering of an increased business portfolio
	IDT spend in community development	Total value of IDT spend in community development and institutional capacity building	R47,2m	R36,9m	The target was partially achieved due to delays in institutionalising the internal system of project application and selection
	BEE spend	% of programme spend on BEE	60%	R1,53bn (68%)	IDT's business model deliberately creates opportunities for emerging contractors and BEE suppliers

2. Strategic objective 2: *To pioneer innovative development solutions* continued

Outcome	Output	Performance indicator	Target	Achieved	Reasons for variance
Balanced portfolio of programmes	Economic empowerment of women contractors and service providers	% of programme spend on women empowerment	25%	R580,8m (26%)	Marginal positive variance due to the IDT's efforts to include women contractors by breaking down projects into smaller components enabling women with lower CIDB gradings to participate
	Youth spend	% of programme spend on youth empowerment	15%	R292,5m (13%)	Reduced youth uptake in the built environment careers is mirrored in a diminished interest in social infrastructure projects. However, the IDT has exceeded its target for youth participation in non-infrastructure programmes
	Labour spend	% of programme spend on labour	24%	R235,2m (10%)	Negative variance. The programme spend entails a significant proportion of non-labour-intensive projects
Creation of job opportunities	Job opportunities: created through the IDT business portfolio	Number of IDT job opportunities through IDT portfolio	35 000	25 883	Negative variance. The programme spend entails a significant proportion of non-labour-intensive projects
	Person days of work created	Number of person days: IDT	2 310 000	1 708 278	Negative variance. The programme spend entails a significant proportion of non-labour-intensive projects
	Number jobs opportunities EPWP 2 NSS	Number of job opportunities: EPWP 2 NSS	24 000	32 697	Target exceeded due to additional allocations from DPW assisted in propelling the targeted figures
	Number of women contractors developed	Number of women contractors participating in the contractor development programme	65	59	Negative variance, as the target relates to the number of women contractors that have received support
	Training numbers (total in all programmes)	Number of persons trained	14 725	17 447	Target exceeded due to the increase in number of EPWP beneficiaries and the training
Community driven development	Improved food security in schools	Number of food gardens established in IDT constructed schools	50%	27% (17) for schools handed over	Target not achieved. The IDT handed over 79 schools and completed 17 gardens mainly due to process dynamics at the schools soil preparation, adverse rains, and extended school holidays, due to the FIFA 2010 World Cup™

Corporate performance summary continued

3. Strategic objective 3: *To ensure excellence in service delivery*

Outcome	Output	Performance indicator	Target	Achieved	Reasons for variance
IDT is sustainable as per the 2010/30 corporate strategy objective	Long-term sustainability of the IDT secured	Business case approved Budget allocation by National Treasury	Business case finalised and submitted to JET by 30 April	Achieved	Business case for the immediate funding needs was finalised and approved by the Minister and informed the MFET submission.
			Conclusion of 2011 budget bid as per treasury timelines	Achieved	Timeous submission for MTEF submission resulting in an R150 million allocation
The IDT is an effective, efficient and innovative public entity	Effective and efficient planning and budgeting	Improved efficiency ratios	Efficiency ratio: 15%	Efficiency ratio: 14,86%	Target marginally exceeded. Major inhibitor was the protracted delays in programme funds transfers
		Acceptable variance between budget and actual	Budget variance within 5%	14% savings	Target exceeded due to the severe austerity measures and the cost-savings strategy
		% of overhead budget funded by public mandated programmes	20%	18,5%	Target marginally exceeded as management fees of 3,5% is not uniformly levied in all public mandated programmes
		Auditor-General's opinion	Unqualified audit opinion in respect of the 2009/10 financial year achieved	Unqualified audit opinion	None. However, the Auditor-General raised serious concerns about the reporting of non-financial performance information which has been addressed
	Effective and efficient operations to support delivery	Standard for payment turnaround times maintained	Turnaround time: Payments within 14 working days from receipt of invoice	7 days	Target exceeded, turnaround achieved where programme funds were available, due to corporate commitment
Organisational culture conducive to high performance	Organisational structure, policies and culture supports delivery	Improved organisational culture	Transformation Strategy aligned to approved business case by 30 November 2011 Deliver Transformation Strategy targets as planned by 31 March 2011	Achieved	The IDT developed a revised service delivery model to the rationale of the short-term business case approved by the Board in June 2010. The Board approved the rationale for the LT sustainability business case in November/December 2010, and approved the progress report in February 2011
Talent management	Optimum staffing levels	Competent and performance driven workforce	Talent management project plan approved by 31 January 2011	Not achieved	Target not achieved. The organisation launched a transformation plan, which has huge implications for its future skills profile and existing staff establishment

3. Strategic Objective 3: *To ensure excellence in service delivery* continued

Outcome	Output	Performance indicator	Target	Achieved	Reasons for variance
Alignment to corporate governance codes	Enterprise-wide risk management	Updated Integrated risk management plan in place	Formalise and sign-off integrated risk management structures by 30 September 2010 Strategic risks identified and plan implemented	Achieved	The Risk Management Committee Charter has been finalised and approved by EXCO and the Board of Trustees. Strategic risk assessment has been conducted and 21 strategic risks which impact on the organisation's strategic objectives have been identified
	Compliance	Full compliance with PFMA and relevant legislation	Ensure IDT complies with the legislative and policy requirements	Achieved	The IDT prides itself in being a compliant organisation and has thus ensured compliance with all key legislation and policies and acted against non-compliance
	Governance	Compliance with standards of good corporate governance (Auditor-General's opinion)	Board meetings take place as per the corporate calendar	Achieved	The dates of two committee meetings were changed to address availability and quorum and one Board meeting was changed to allow time for more work on the business case which the Board had to approve at the meeting

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Our mission

The IDT, together with strategic partners, will enable poor communities to access resources, recognise and unlock their own potential for sustainable development.



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