



co-operative governance  
& traditional affairs  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

# ANNUAL REPORT

## 2019/20

Annual Report 2019/20





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# **PART A: GENERAL INFORMATION**

## 1. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
OP	Operational Plan
EPWP	Expanded Public Works Programme
FBSA	Fire Brigade Services Act
HOD	Head: Co-operative Governance and Traditional Affairs
MP	Mpumalanga
MPL	Member of Provincial Legislature
IMSP	Integrated Municipal Support Plan
EDP	Executive Development Programme
NCOP	National Council of Provinces
DCOG	Department of Co-operative Governance
PFMA	Public Finance Management Act ,1999 (Act No.1 of 1999)
MPRA	Municipal Property Act
SDF	Spatial Development Framework
SPLUMA	Spatial Planning Land Use management Act, 2013 (Act No 16 of 2013)
TR	Treasury Regulations
MIG	Municipal Infrastructure Grant
CDW	Community Development Workers
PMU	Programme Management Unit
WTW	Water Treatment Works
WWTW	Waste Water Treatment Works
MTEF	Medium Term Expenditure Framework
SAIGA	Southern African Institute of Government Auditors
SMME	Small Medium and Micro Enterprises
MEC	Member of the Executive Council for the Department of Co-operative Governance and Traditional Affairs
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan
TLGFA	Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2013)
NDP	National Development Plan
DHS	Department of Human Settlement
LED	Local Economic Development
CWP	Community Works Programme
OVS	Operation Vuka Sisebente
MDB	Mpumalanga Demarcation Board
IDP	Integrated Municipal Development Plan
PMS	Performance Management System
LUMS	Land Use Management Scheme
LUS	Land Use Scheme
TSC	Thusong Service Centre
MPAT	Management Performance Assessment Tool
B2B	Back to Basics
DORA	Division of Revenue Act, 2011 (Act No.6 of 2011)
HTL	House of Traditional Leaders
DCSSL	Department of Community Safety Security and Liaison
DDM	Disstrict Development Model

### 3. FOREWORD BY MEC (2019/20)



**MR. MANDLA MSIBI (MPL)**  
**MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

The Department's aspiration of a 6<sup>th</sup> clean audit has been realized. This is the outcome of a high level of commitment demonstrated by officials of the Department, ably led by the Accounting Officer. It signifies the proper utilization of public funds in accordance with the dictates of the Public Finance Management Act and its regulations. We are confident that the audit outcome will induce confidence to our communities about the proper use of public funds by the Department as endorsed by the Auditor-General, an independent Chapter 9 institution.

The Gert Sibande and Nkangala Districts are the only two (2) municipalities in the province to record a clean audit achievement. These two (2) achievements, out of the twenty (20) municipalities served as a reminder for the Department to jerk up its support, working with the Provincial Treasury and the South African Local Government Association (SALGA), for municipalities to produce a similar outcome.

Eradicating the root causes of the poor functionality at the Dr JS Moroka Local Municipality, was one of the focused areas of the Department during the period under review, as the Department implemented the resolution of the Provincial Executive Council of invoking Section 139(1)(b) of the Constitution. In the interim period of the intervention, we have supported the Administrator and his team to restore financial management systems, improve the Municipal Infrastructure Grant (MIG) expenditure, payment of debtors for services rendered, address pending labour disputes and coordinate the delivery of services. This was done in pursuit of the aspiration of setting the Dr JS Moroka Municipality on the same footing with well performing municipalities in the country for the local communities to derive service delivery benefits.

In its efforts to root out any allegations of corruption, the Department facilitated the appointment of investigators in Dr JS Moroka, Govan Mbeki and Dr Pixley Ka Isaka Seme local municipalities. The investigations were precipitated by allegations of, inter alia, maladministration, fraud, nepotism, patronage levelled against the leadership and management of these municipalities. The outcome of these investigations will determine the next course of action to be taken in order to achieve a clean governance target.

Special attention was given to the provision of water, as a Constitutional requirement set out in the Bill of Rights. The Department partnered with the Department of Water and Sanitation (DWS), the Local Government sector and water agencies to im-

plement extra-ordinary measures to provide water to the communities. Through these measures, one million one hundred and four thousand, six hundred and eighty six (1 104 686) out of a total of one million two hundred and thirty eight thousand, eight hundred and sixty one (1 238 861) were provided with clean and drinkable water by the end of the financial year. This is no mean feat considering that 89% of the households now have water, notwithstanding the growing population and the unprecedented sprout of new settlements, exacerbated by the inadequate funds of revitalizing the ageing infrastructure and the diminishing of water sources.

Profiling of the three Districts was finalized during this period as the first step towards the District Development Model (DDM), a new service delivery co-ordination approach announced by the President. Key to this, is the establishment of a Project Management Unit (PMU) to co-ordinate the activities of the DDM. The Department has signed an agreement with the Development Bank of Southern Africa (DBSA), as a supporting pillar for the DDM.

Through the Community Works Programme (CWP), we pushed back the frontiers of poverty by maintaining twenty seven thousand one hundred and seventy (27 170) jobs. This is a bare minimum contribution to dent the scourge of 34.2% unemployment rate. Furthermore we implemented the Youth Waste Management Programme as a short term job creation measure for young people in Bushbuckridge, Dipaleseng and Nkomazi Local Municipalities.

The zero fatality recorded during the Ingoma season bears evidence to what can be achieved through the government/ stakeholder relationship. Unlike in previous Ingoma seasons, the lives of young initiates were saved owing to the implementation of the legislation (Ingoma Act of 2011) supported and monitored by traditional leadership.

A handwritten signature in black ink, appearing to read 'M. Msibi', written over a horizontal line.

**Mr Mandla J. Msibi (MPL)**  
**MEC for the Department of Co-operative Governance and Traditional Affairs**

**Date 31/08/2020**

### 3. REPORT OF THE ACCOUNTING OFFICER



**MR. S NGUBANE**  
**ACTING HEAD: CO-OPERATIVE GOVERNANCE**  
**AND TRADITIONAL AFFAIRS**

#### Overview of the operations of the Department

During the year under review, the Department continued to discharge its mandate of supporting Local Municipalities and Traditional Councils to improve the delivery of services within their communities through the Integrated Municipal Support Plan. Amongst others, the Department achieved the following:

- Developed the District Development Model (DDM) to assist, fasten and co-ordinate service delivery by municipalities in the Province
- All seventeen (17) Local Municipalities were supported on the functionality of OVS War rooms; on maintaining functional Ward Committees and to respond to community concerns on issues of service delivery.
- Supported all 20 Municipalities with the development of 2020/21 IDPs and further supported them on the review of their 2019/20 IDPs.
- In an effort to capacitate our Municipalities, the Department conducted one (1) Training on Roles and Responsibilities for Ward Committee Coordinators; one (1) Training on Financial Management for Municipal Public Account Committees (MPACs) and one (1) Training on Local Economic Development for LED Practitioners of Steve Tshwete and Emalahleni local municipalities.
- Implemented the Expanded Public Works Program (EPWP) and in the process created 135 full time equivalent jobs.
- In sustaining social cohesion in Traditional Communities, the Department resolved sixteen (16) Traditional Land cases within two (2) months of receipt, mobilized thirty four (34) Traditional Councils to participate in OVS War rooms, also mobilised forty two (42) Traditional Leaders to participate in Municipal Councils and six (6) Traditional Disputes & Claims cases were researched, processed and resolved.

#### Challenges

The Department was faced with challenges during the financial year under review and amongst others:

- Limited water source due to drought conditions; Aging Water Treatment Works and Waste Water Treatment Works infrastructure, interrupted the provision of basic water and proper sanitation to households in the Province by Municipalities.
- Delays in the appointment of Senior Managers as well as appointment of unsuitably qualified Senior Managers in Municipalities
- Inconsistent attendance of Traditional Leaders in Municipal Council sittings
- Initiation schools operating without permits
- Failure by some Ward Committees to convene Committee meetings resulting in service delivery matters in some wards not processed

The Department has developed remedial actions which aim to address the identified challenges and these have been incorporated into the 2020/21 Annual Performance Plan

## Overview of the financial results of the Department

### Departmental receipts

Departmental receipts	2019/2020			2018/2019		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	415	405	9	408	385	23
Interest, dividends and rent on land	1 001	696	305	1 008	619	389
Sale of capital assets	56	-	56	56	67	(11)
Financial transactions in assets and liabilities	93	1 428	(1 335)	92	220	(128)
<b>Total</b>	<b>1 564</b>	<b>2 529</b>	<b>(965)</b>	<b>1 564</b>	<b>1 291</b>	<b>273</b>

The Department has no revenue generating activities except for bank interest, commission on deductions, debt recovery and disposal of assets through government auctions.

### Programme Expenditure

Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	144 067	144 039	28	125 836	125 836	-
Local Governance	209 779	209 776	3	205 377	205 377	-
Planning and Development	84 043	84 025	18	56 730	56 729	1
Traditional Institution Management	146 318	146 307	11	114 985	114 933	52
House of Traditional Leadership	21 807	21 318	489	21 235	21 235	-
<b>Total</b>	<b>606 014</b>	<b>605 465</b>	<b>549</b>	<b>524 163</b>	<b>524 110</b>	<b>53</b>

The Department's main appropriation for 2019/20 was R 526.014 million and was adjusted to R 606.014 million during the November 2019 adjustment process compared to R 524 163 million final appropriation in 2018/19.

The Department spent R 605.465 million or 99.9 per cent of the final adjusted budget as at 31 March 2020, compared to R 524.110 million or 100 per cent in 2018/19. The Department has underspent by R 0.549 million compared with R 0.053 million in 2018/19. As reported in **note 18** of the Annual financial statements, the Department had accruals and payables not recognised to the value of R 2.134 million during the financial year under review (R1. 573 million and R 0.561 million respectively) compared to R 3.690 million (R 1.957 million and R 1.733 million respectively) .This translates to an improvement of R 1.556 million or 42 percent decrease in accruals and payables not recognised.

#### Programme 01

Main appropriation was R 148.198 million and the final adjusted budget was R 144.067 million. The programme spent R 144.039 million or 100 per cent compared with R 125.836 million or 100 per cent in 2018/19 financial year.

#### Programme 02

Main appropriation was R 197.500 million and the final adjusted budget is R 209.779 million. The programme spent R 209.776 million or 100 per cent compared with R 205.377 million or 100 per cent in 2018/19 financial year.

#### Programme 03

Main appropriation was R 51.782 million and final adjusted budget is R 84.043 million. The programme spent R 84.025 million or 100 per cent compared with R 56.729 million or 100 per cent in 2018/19 financial year.

#### Programme 04

Main appropriation was R 106.576 million and final adjusted budget is R 146.318 million. The programme spent R 146.307 million or 100 per cent compared with R 114.933 million or 100 per cent in 2018/19 financial year.

#### Programme 05

Main appropriation was R 21.958 million and final adjusted budget is R 21.807 million. The programme spent R 21.318 million or 97.8 per cent compared with R 21.235 million or 100 per cent in 2018/19 financial year.

#### Virements / roll overs

During the 2019/20 Budget Adjustment process an additional amount of R 80.0 million was added to the baseline of the Department.

**The above additional amount has been broken down as reflected on the table below:**

DESCRIPTION	AMOUNT R'000	PROGRAMME
Section 106 investigations	1.500	Local Governance
Disaster Relief Material stock pile for the next 3 financial years	26.500	Development and Planning
Vehicles for Traditional Councils	31.000	
Transfers to Traditional Councils for Cultural Ceremonies and Operational	21 000	Traditional Institutional Management
<b>TOTAL</b>	<b>80.000</b>	

## Virements

The following are the Mid-term major Virements:

DESCRIPTION	AMOUNT R'000	PROGRAMME
Additional amount added to the goods and services budget of Programme 2: Local Governance under Municipal Administration in order to defray the expenditure already incurred for the Municipal Audit Outcomes Improvement Initiatives in Victor Khanye and Emakhazeni Local Municipalities	15.807	Local Governance

## Post Adjustment Virements

### PROGRAMME 1: ADMINISTRATION

#### Payment for Capital Assets;

1. The programme is shifting R 2.795 million from Transfers to Households that was earmarked for the payment of leave gratuity to employees who took early retirement.
2. The programme is receiving R 1.422 million through a virement from Programme 4: Traditional Institutional Management under payments for capital assets.

### PROGRAMME 2: LOCAL GOVERNANCE

The programme is receiving R 5.572 million through virements as follows;

#### Goods and Services;

1. Programme 1: Administration R 3.958 million from Compensation of Employees.
2. Programme 4: Traditional Institutional Management R 1.614 million from Compensation of Employees

### PROGRAMME 3: DEVELOPMENT AND PLANNING

The programme is receiving R 5.761 million through virements as follows;

#### Goods and Services;

1. Programme 4: Traditional Institutional Management R 5.610 million from Compensation of Employees.
2. Programme 5: The House of Traditional Leaders R 0.151 million from goods and services

All the above virements and shifting of funds were implemented to defray possible over expenditure between and within programmes including all economic classifications in accordance to section 43(1-4) of the PFMA and the applicable Treasury Regulations 6.3 requirements.

## Rollovers

The Department has not requested any roll-over.

## Future plans of the Department

The Department will intensify its effort in supporting Municipalities in the implementation and compliance with Spatial Planning and Land Use Management (SPLUMA). In an effort to eradicate informal settlements in the Province, the Department will support two (2) settlements with Tenure Upgrading processes. In realisation of the call by Honourable President to develop and implement a One District, One Service Delivery Plan, the Department will guide and support the development, as well as monitor the implementation of the District Development Model Plans. The Department will continue to provide financial support to Traditional Councils for day to day running of the Traditional Council Offices. Through the Integrated Municipal Support Plan, the Department will continue to assist Municipalities to enhance service delivery. The Department will also support Municipalities on the functionality of Operation Vuka Sisebente (OVS) war rooms which assists in resolving issues raised by community members as well as supporting the seventeen (17) local municipalities to maintain functional ward committees

## Public Private Partnerships

The Department did not have any PPP project for the financial year under review.

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

No discontinued activities

## **Supply Chain Management**

The Department did not have unsolicited bid proposals for the financial year under review. The Department has established a fully functional Supply Chain Management unit. We have adopted a Supply Chain Management policy and internal control processes. All our officials have signed financial disclosure forms and we have adopted a Fraud Prevention policy. The Unit prepares and submit monthly and quarterly SCM reports to the Provincial Treasury. We have a functional system of internal control that assist in the prevention and early detection of irregular, fruitless and wasteful expenditure.

Officials doing business with the state continues to be our challenge. We however have resolved this by verifying all suppliers invited for quotations on the Central Supplier Database, which is linked to the PERSAL system. This assists in avoiding entering into any business transaction with a State employee, we further communicate with all Departments and Municipalities where it is discovered that their employees are attempting to engage in business with our Department- The verification is an ongoing process.

## **Gifts and Donations received in kind from non-related parties**

No gifts and donations were received in kind from non-related parties.

## **List the nature of the in kind good and services provided by the Department to or received from parties other than related parties.**

The Department did not receive goods or services from parties other than related parties.

## **Exemptions and deviations received from the National Treasury**

No exemptions or deviations were received from the National Treasury.

## **Events after the reporting date**

The Department processed the payment of accruals and payables amounting to **R 2. 134 million** for the 2019/20 financial year during the 1<sup>st</sup> quarter of the new financial year (2020/21).

## **Non-Adjusting Events**

The department has adjusted the APP, Risk Management Plans, Procurement Plan and Budget for 2020/21 financial year in response to the COVID-19 pandemic during July 2020. The revised plans will be achieved without any negative impact on service delivery objectives of the department.

## **Other**

There is no other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in the report.

## **Acknowledgement/s or Appreciation**

The Accounting Officer would like to acknowledge and appreciate the support received from the MEC, Senior Management and Staff of COGTA to make this year a success.

## **Conclusion**

I trust that the Financial Statements and the whole Annual Report is a fair presentation of the state of affairs and performance of the Department for the year under review.

## **Approval and sign off**

The Annual Financial Statements as set out in pages 80 to 126 has been approved by the Accounting Officer.



**Mr S. Ngubane**

**(A) Accounting Officer**

**Department of Co-operative Governance and Traditional Affairs**

**Date: 31/08/2020**

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed throughout the annual report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

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

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

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2020.

Yours faithfully



**Mr. S. Ngubane**  
**(A) Accounting Officer**  
**Date 31/08/2020**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Responsive, effective, efficient and sustainable co-operative governance system.

### 6.2 Mission

To coordinate, support, monitor and strengthen an integrated cooperative governance system.

### 6.3 Values

Guided by the spirit of Batho Pele, our values are:

- Goal orientated
- Professionalism
- Learning and development
- Responsive
- Integrity
- Honesty
- Excellence in Service Delivery

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Constitutional Mandate

The following Chapters with the relevant sections of the Constitution of the Republic of South Africa, 1996 are important regarding the specific constitutional mandates of the Department:

#### 7.1.1 The Constitution of the Republic of South Africa, 1996

The Department subscribes to the founding provisions of the Constitution, including the Bill of Rights as well as the principles of co-operative governance and intergovernmental relations as contained in Chapters 1; 2 and 3 of the Constitution of the Republic of South Africa, 1996.

#### 7.1.2 Section 139, Chapter 6 of the Constitution of the Republic of South Africa, 1996

The MEC as per the directives of the Provincial Executive Committee (EXCO) may intervene in the affairs of a municipality.

#### 7.1.3 Section 154(1), Chapter 7 of the Constitution of the Republic of South Africa, 1996

The MEC as assigned by the Provincial Government to ensure by legislative or other measures, must support and strengthened the capacity of Municipalities to manage their own affairs, to exercise their powers and to perform their functions.

#### 7.1.4 Section 155(6), Chapter 7 of the Constitution of the Republic of South Africa, 1996

The MEC as assigned by the Provincial Government to establish Municipalities in the Province in a manner consistent with legislation enacted in terms of section 155(2) and 155(3) respectively and by legislative or other measures, must monitor and support local government in the Province and promote the development of local government capacity to enable Municipalities to perform their functions and manage their own affairs.

#### 7.1.5 Section 156(1), Chapter 7 of the Constitution of the Republic of South Africa, 1996

The MEC as assigned by the provincial government, subject to section 44 of the Constitution, has the legislative and executive authority to see to the effective performance by Municipalities of their functions in respect of matters listed in Schedules 4 and 5 of the Constitution, by regulating the exercise by Municipalities of their executive authority referred to in section 156(1) of the Constitution.

#### 7.1.6 Section 212, Chapter 12 of the Constitution of the Republic of South Africa, 1996

The Department acknowledges the role for Traditional Leadership as an institution at local level on matters affecting local communities and to deal with matters relating to traditional leadership, the role of Traditional Leaders, customary law and the customs of communities observing a system of customary law by the establishment of Houses of Traditional Leaders.

#### 7.1.7 Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)

The Act empowers the MEC to establish Municipalities in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the type of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of Municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith.

### **7.1.8 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)**

To provide for the core principles, mechanisms and processes that are necessary to enable Municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed to provide for community participation; to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilization and organizational change which underpin the notion of developmental local government; to provide a framework for the provision of services, service delivery agreements and municipal service districts; to provide for credit control and debt collection; to establish a framework for support, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment; to provide for legal matters pertaining to local government; and to provide for matters incidental thereto.

### **7.1.9 Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)**

The MEC to support Municipalities with the process to impose rates on property; to assist Municipalities to make provision to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for objections and appeals process and to provide for matters connected therewith.

### **7.1.10 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)**

The Act requires of the Department to advise on sound and sustainable management of the financial affairs of Municipalities and other institutions in the local sphere of government; and to provide for matters connected therewith. The execution of the provisions of the Act is shared with the Provincial Treasury in as far as functions to be performed by the MEC for local government are concerned.

### **7.1.11 Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)**

The Act requires of the Department to acknowledge the framework for the three spheres of government, namely national, provincial and local government, to promote and facilitate intergovernmental relations between the three spheres of government, which are distinctive, interdependent and interrelated; to provide mechanisms and procedures to facilitate the settlement on intergovernmental disputes and incidental matters thereto.

### **7.1.12 Disaster Management Act, 2002 (Act No. 57 of 2002)**

Chapter 4 of the Act requires of the Department to take cognisance of provincial disaster management –

#### ***Part 1: Provincial Disaster Management Framework:***

Section 28 (1) Each Province must establish and implement a framework for disaster management in the Province aimed at ensuring an integrated and uniform approach to disaster management in the Province by all provincial organs of state, provincial statutory functionaries, non-governmental organizations involved in disaster management in the Province and by the private sector.

- (2) A Provincial disaster management framework must be consistent with the provisions of this Act and National Disaster Management Framework.
- (3) (a) Provincial disaster management framework, or any amendment thereto, must be published in the *Provincial gazette*.  
(b) Before establishing or amending a Provincial disaster management framework, particulars of the proposed framework or amendment must be published in the *Provincial gazette* for public comment.

#### ***Part 2: Provincial Disaster Management Centres***

Section 29(1) Each Province must establish a disaster management centre.

- (2) A Provincial disaster management centre forms part of and functions within the Department.

### **7.1.13 Fire Brigade Services Act, 1987 (Act No. 99 of 1987)**

The Act seeks to provide for the establishment, maintenance, employment, co-ordination and standardization of the brigade services and for matters connected therewith. This is achieved through the Fire Brigade Board and the establishment of the fire services by local municipalities and by recognizing designated fire services in those areas where a fire service is required.

### **7.1.14 Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)**

The Act, amongst others, provide for the recognition of traditional communities, the establishment and recognition of traditional councils, for dispute resolution, for a Code of Conduct, for leadership positions within traditional leadership, for houses of traditional leadership, for functions and roles of traditional leaders.

### **7.1.15 Mpumalanga Traditional Leadership and Governance Act, 2005 (Act No.3 of 2005)**

The Act requires of the Department to take cognisance and assist to provide for the recognition and withdrawal of recognition of

traditional communities; to provide for the establishment and recognition of Traditional Councils; to provide for the recognition and appointment of Traditional Leaders and their removal from office; to provide for the implementation of the Provincial Code of Conduct; and to provide for matters connected therewith.

#### **7.1.16 Mpumalanga Provincial House and Local Houses of Traditional Leaders Act, 2005 (Act No.6 of 2005)**

The Act provides for the establishment and composition of the Mpumalanga Provincial House and Local Houses of Traditional Leaders, determine the procedure for the election of members of the Provincial and Local Houses, to provide for the powers and functions of the Mpumalanga Provincial House and Local Houses of Traditional Leaders and to provide for matters incidental thereto.

#### **7.1.17 Mpumalanga Ingoma Act, 2011 (Act No. 3 of 2011)**

The Act seeks to regulate the holding of an Ingoma or initiation schools; the Act empowers the MEC responsible for traditional matters to monitor the holding of an Ingoma; empowers the MEC to make regulations on any matter that will ensure the proper implementation of the Act.

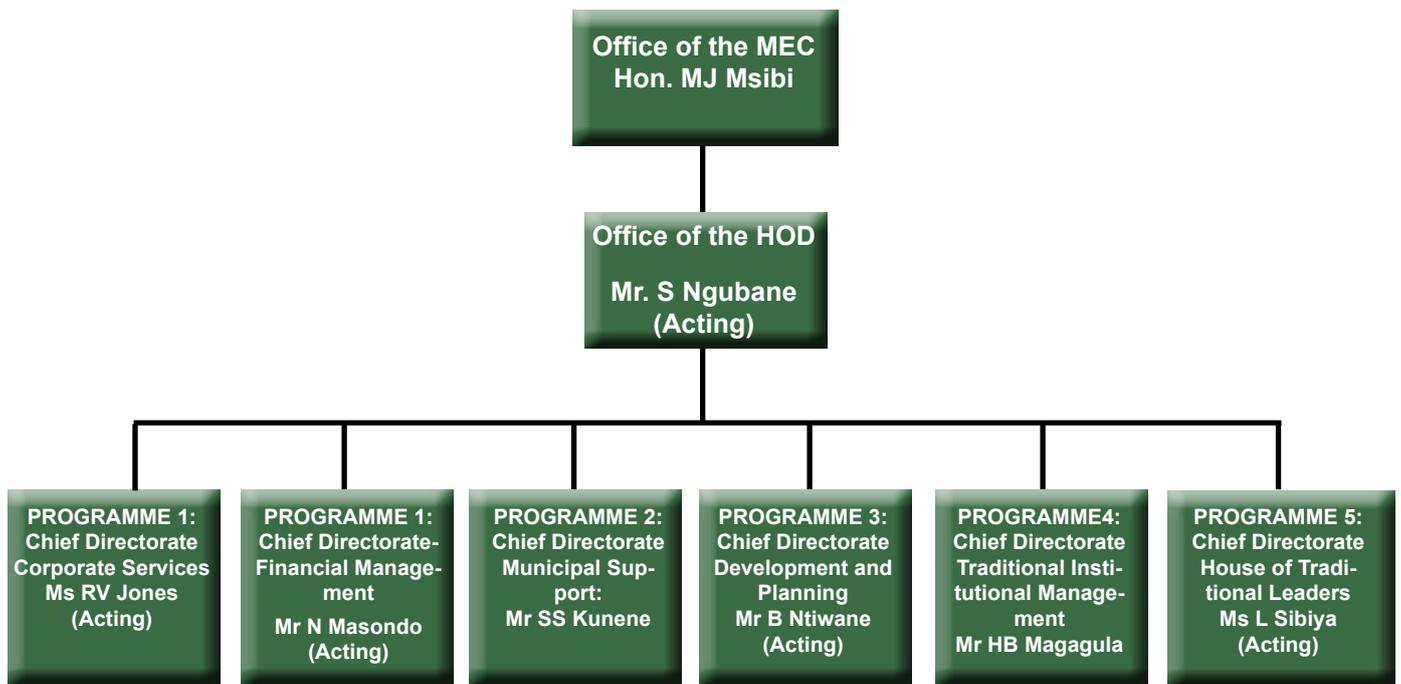
#### **7.1.18 Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)**

The Act seeks to serve as the framework for Municipalities in order to ensure effective spatial planning and land use and management; the MEC would have to strengthen the monitoring of spatial planning and land use management by Municipalities including ensuring compliance with section 156(2) of the Constitution, which stipulates that "*A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer*". Therefore, Municipalities in the Province should develop their own planning By-laws.

#### **7.2 Other legislation that also impact on the Department includes:**

- House of Traditional Leaders Act, 2009(Act No. 22 of 2009)
- Regulations for the Election of the 40% Members of Traditional Councils, 2007
- Mpumalanga Commissions of Inquiry Act, 1998 (Act No. 11 of 1998)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)
- Other enabling legislation of Local Government
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)
- Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Public Service Act, 1994
- Public Administration Management Act, 2014 (Act No. 11 of 2014)

## 8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC of COGTA.

# **PART B: PERFORMANCE INFORMATION**

## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

The Report of the Auditor General will be published as Part E: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The core mandate of the Department is to monitor and support Municipalities in terms of S154 of the Constitution which states that national and provincial governments, by legislative and other measures, must support and strengthen the capacity of Municipalities to manage their own affairs, to exercise their powers and to perform their functions.

In terms of 2018/19 audit outcomes, only two (2) (i.e. Gert Sibande and Nkangala Districts) out of eighteen (18) audited Municipalities in the Province received clean audit outcomes, 6 municipalities received unqualified with findings (Ehlanzeni, Thaba Chweu, Bushbuckridge, Nkomazi, Steve Tshwete and Chief Albert Luthuli). Four (4) Municipalities received qualified with findings (City of Mbombela, Thembisile Hani, Emalahleni and Mkhondo). Two (2) received Adverse outcome with findings (Emakhazeni and Msukaligwa). Four (4) Municipalities received Disclaimers with findings (Victor Khanye, Dipaleseng, Lekwa and Dr Pixley Ka Isaka Seme). Two (2) local municipalities failed to submit their Annual Financial Statements and were not audited (Dr JS Moroka and Govan Mbeki) In order to assist Municipalities in improving their performance, the Department monitored the implementation of the Back to Basics approach through the five key performance areas of the Integrated Municipal Support Plan (IMSP) in all Municipalities in the Province which are as follows:

- Public Participation (Putting people first)
- Delivery of basic services
- Good Governance
- Financial Management
- Building Institutional and Administration capability

The population of the Province has grown from 1 075 488 households as stated in the 2011 Census Report to 1 238 861 as stated in the Community Survey of 2016, therefore an increased demand of basic services such as access to water, sanitation, electricity and refuse removal was required. In meeting the required demand the Department monitored households with access to basic services, namely; water and sanitation in the Province, with 95% (total no. of 1 172 388 out of 1 238 861) households having access to water and 89% (total no. 1 103 003 out of 1 238 861) households having access to sanitation. 92% (total no. of 1 133 803 out of 1 238 861) households have access to electricity and 54% (total no. of 672 072 out of 1 238 861) households have access to refuse removal in the Province. All 17 PMUs in Local Municipalities were evaluated on MIG performance and monitored on the implementation of MIG projects. An expenditure of R1.157 925 billion (64%) of the MIG allocation of R1.813 621 billion has been reported as end of March 2020.

Community unrest in most of the Municipal areas for services such as water, roads and street lights, remains a challenge. In improving Ward level service delivery, the Department supported all 17 Local Municipalities to maintain functional Ward Committees and to respond to community concerns. The Department further supported all Local Municipalities on the functionality of OVS War Rooms and guided them to implement public participation programmes. In an effort to bring services to the people, the Department facilitated eight (8) Mobile Outreach Programmes in eight (8) Local Municipalities (Maphanga Village in Dr JS Moroka; Breyten in Msukaligwa; Daaikraal in Thaba Chweu; Mbuzini in Nkomazi; Nthoroane in Dipaleseng; Diepdale in Chief Albert Luthuli; Majembeni Swallows Ground in Bushbuckridge; and at Klarinet in Emalahleni) as an access strategy on service delivery to communities.

The Department supported all 20 Municipalities on GIS and further assessed their implementation of the Spatial Development Framework (SDFs). The Department evaluated forty (40) applications for Land Development and rendered 249 Surveys services in order to assist Municipalities in addressing land boundary disputes, identifying stand boundaries for allocation of stands and point boundaries of properties for construction of low cost housing. The Department further supported all twenty (20) Municipalities with the implementation of SPLUMA on spatial planning and further supported nineteen (19) Municipalities in the implementation of SPLUMA on Land Use Management, with exception of Ehlanzeni District Municipality during the period under review. Six (6) Municipalities were monitored to implement Local Economic Development projects in line with their Municipal LED Strategies (City of Mbombela, Bushbuckridge, Emalahleni, Victor Khanye, Msukaligwa and Mkhondo). All seventeen (17) Local Municipalities were supported on disaster risk reduction campaigns with fifteen (15) Municipalities supported on fire brigade services (Steve Tshwete, Lekwa, Bushbuckridge, Thembisile Hani, Nkomazi, Chief Albert Luthuli, Mkhondo, Emakhazeni, Victor Khanye, Dipaleseng, Dr Pixley Ka Isaka Seme, Emalahleni, Govan Mbeki, Dr JS Moroka and Msukaligwa)

**The Department continued with the provision of support to institutions of Traditional Leadership through:**

- Resolving Traditional disputes, complaints claims and Land cases
- Convening Chairpersons' and Secretaries' Forums respectively
- Funding cultural ceremonies and the day to day administration of the Traditional Council offices
- Mobilising Traditional Councils to participate in Operation Vuka Sisebente (OVS) War rooms, Ward Committees, IDP processes and Municipal Councils

**2.2 Service Delivery Improvement Plan**

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

**Main services and standards**

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>Local Governance</b>	Local Municipalities District Municipalities Sector Departments SALGA	Support 17 Local Municipalities on the functionality of OVS war rooms	17 Local Municipalities supported on the functionality of OVS war rooms	17 Local Municipalities supported on the functionality of OVS war rooms
<b>Development and Planning</b>	Local Municipalities District Municipalities Sector Departments SALGA	20 Municipalities with responsive IDPs approved	20 Municipalities supported with development of legal compliant IDPs	20 Municipalities supported with development of legal compliant IDPs
<b>Traditional Institutional Management</b>	Traditional Councils	Provision of tools of trade to 60 Traditional Councils	1 Tool of trade provided to 60 Traditional Councils	1 Tool of trade (Vehicle) procured but not provided to 60 Traditional Councils due to the COVID – 19 National Lockdown
<b>House of Traditional Leaders</b>	Traditional Councils Communities	Provincial House Committees and Local Houses functional	5 Provincial House Committees and 3 Local Houses functional	5 Provincial House Committees and 3 Local Houses functional

**Batho Pele arrangements with beneficiaries (Consultation access etc.)**

Current/actual arrangements	Desired arrangements	Actual achievements
<b>Public hearings</b>	To get information about service delivery needs	Information gathered and community needs identified
<b>Meetings (Seminars)</b>	To get information about service delivery needs	Information sharing and decision making on service delivery issues

**Service Delivery Information Tool**

Current/ actual information	Desired information tools	Actual achievements
<b>Media (Print and Electronic)</b>	To communicate the activities of the Department to the public with Communication tools	Radio Slots and Social Media
	To communicate the activities of the Department to the public with Communication tools	Booklets

**Complaints Mechanism**

Current / actual complaints mechanism	Desired complaints mechanism	Actual achievements
<b>Written complaints</b>	Access to information	Suggestion Boxes available at Head Office and Thusong Service Centres
	Access to information	Departmental post box in place
<b>Verbal complaints</b>	Access to information through tele-phones	Departmental Call Centre established and functional
	Access to information through public hearings	Public Hearings conducted through the Committee on Disputes and Claims
	Access to information through iZimbizo	The Department supported Traditional Cultural ceremonies (Ummemo)
	Access to information	Awareness campaigns
	Access to information through OVS Model	OVS functional in all 17 Local Municipalities with Ward War Rooms established.

**2.3 Organisational environment**

The Executive Council has appointed a new Acting Accounting Officer for the Department, in the name of Mr Samukelo Ngubane who assumed duties on the 24<sup>th</sup> February 2020 to ensure smooth running of the Department. The appointment did not have any effect on the ability of the Department to achieve its strategic intent. The Department is currently reviewing its organisational structure however the process is at its final stages. The effect of this process is that most critical vacancies in the Department were abolished and as a result officials have assumed additional responsibilities until the process of review is finalised and approval is sought to fill posts.

The Department has developed and implemented the District Development Model (DDM) in line with the National Framework in order to intensify its support towards a One District One Plan and accelerate service delivery in particular the delivery of basic services within communities.

## 2.4 Key policy developments and legislative changes

There were no amendments on legislations and key policy developments that affected the operations of the Department in the year under review.

## 3. STRATEGIC OUTCOME ORIENTED GOALS

The Department's strategic goals are summarized as follows:

### 1. Strengthen administrative and financial management systems.

- ✓ The Department had strengthened the administration and Financial management systems and obtained a clean audit outcome in the 2018/19 financial year.
- ✓ Supported and guided all Local Municipalities to comply with the Municipal Property Rates Act (MPRA)
- ✓ 20 Municipalities were supported to comply with MSA regulations on the appointment of Senior Managers and monitored on the implementation of systems and procedures for personnel administration of 367 deliverables of the MSA.
- ✓ Convened 2 Municipal Performance Review sessions (1<sup>st</sup> Quarter and Mid-year) to monitor progress on the Performance of Municipalities,

### 2. Ensure the provision of services to communities in a sustainable manner.

- ✓ The Department supported Municipalities on the registration and approval of 275 MIG funded projects to the value of R1.814 billion and monitored the implementation of the projects thereof. The Provincial MIG expenditure stood at 64% (R1.158 billion) at the end of the 2019/20 financial year.
- ✓ Households with access to water is at 95% (1 172 388 out of 1 238 861)
- ✓ Households with access to sanitation is at 89% (1 103 003 out of 1 238 861)
- ✓ Households with access to electricity is at 92% (1 133 803 out of 1 238 861)
- ✓ Households with access to refuse removal is at 54% (672 072 out of 1 238 861)

### 3. Promote social and economic development.

- ✓ The Department monitored 17 Local Municipalities on the implementation of Community Works Programme (CWP)
- ✓ 93 Work opportunities were created and maintained on Youth Waste Management project through the use of the EPWP Incentive Grant

### 4. Encourage the involvement of communities and community organizations in the matters of local government.

- ✓ The Department supported all 17 Local Municipalities on the functionality of OVS War rooms.
- ✓ All 17 Local Municipalities were supported to respond to community concerns
- ✓ Supported all 17 Local Municipalities to maintain functional Ward Committees
- ✓ The Department supported 4 local Municipalities (Dr JS Moroka, Thembisile Hani, Chief Albert Luthuli and Govan Mbeki) to institutionalize Batho Pele
- ✓ The Department facilitated 8 Mobile Outreach Programmes in the Province

### 5. Provide a democratic and accountable government for local communities.

- ✓ The Department monitored all 20 Municipalities on effectiveness of s79 & s80 Committees.
- ✓ Monitored the effectiveness and stability of TROIKAs in executing their functions in all 20 Municipalities.
- ✓ Supported 20 Municipalities to review their organograms in line with the generic Municipal framework.
- ✓ Guided all 17 Local Municipalities to comply with the Municipal Property Rates Act (MPRA)

### 6. Promote a safe and healthy environment.

- ✓ The Department monitored Municipalities on the status of the Water Treatment Works (WTW) and Waste Water Treatment Works (WWTW).
- ✓ The Department monitored Municipalities on the implementation of the "War-on-Leaks" Programme
- ✓ The Department supported 15 Municipalities on fire brigade services (Lekwa, Bushbuckridge, Thembisile Hani, Msukaligwa, Nkomazi, Steve Tshwete, Chief Albert Luthuli, Mkhondo, Dipaleseng, Emakhazeni, Victor Khanye, Dr Pixley Ka Isaka Seme, Emalahleni, Govan Mbeki, Dr JS Moroka)
- ✓ Supported all 17 Local Municipalities in the Province on Disaster risk reduction campaigns.

#### 4. PERFORMANCE INFORMATION BY PROGRAMME

##### 4.1 Programme 1: Administration

###### Purpose of the Programme

This Programme aim at providing effective financial, technical and administrative support to Department in terms of Political guidance, Strategic Management, Risk Management, Legal Services, Financial Management, Security Management, Human Resource Management, Transversal services, Planning and Programme Management and Communication & IT services in accordance with the applicable Acts and policies of the Department

###### List of Sub-programmes

- ✓ Office of the MEC
- ✓ Corporate Services
  - Office of the Head of Department
  - Finance
  - Human Resource Management
  - Legal Services
  - Security Management
  - Planning and Programme Management
  - Communication and IT Support

###### Strategic objectives for the financial year under review

- To provide effective financial, technical, political and administrative support to the Department

###### Strategic objectives, performance indicators, planned targets and actual achievements

- ✓ Support was provided to the Programmes of the Department on political guidance and accurate, timely, compliant processing of financial transactions, monitoring and reporting on financial and non-financial information.

Programme Name: ADMINISTRATION						
Strategic objectives	Actual Achievement 2018/2019		Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To provide effective financial, technical, political and administrative support to the Department	Clean	Audit outcome sustained	Sustained Clean Audit outcome	<b>Achieved</b> Clean Audit outcome sustained	None	None

###### Reasons for deviations

There were no deviations made.

###### Performance indicators

Programme: Administration							
Sub-programme: Office of the MEC							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of MUNIMEC Forum held	4 MUNIMEC Forum held	2 MUNIMEC Forum held	2 MUNIMEC Forums held	2 MUNIMEC Forums held	<b>Not achieved</b> 1 MUNIMEC forum held	1 MUNIMEC Forum not held	The planned 4 <sup>th</sup> Quarter MUNIMEC Forum was postponed due to the National COVID-19 Lockdown

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Office of the HOD							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Technical MUNIMEC Forums held	4 Technical MUNIMEC Forums held -	4 Technical MUNIMEC Forums held	4 Technical MUNIMEC Forums held	4 Technical MUNIMEC Forums held	Not Achieved 3 Technical MUNIMEC Forums held	1 Technical MUNIMEC Forum not held	The planned 4 <sup>th</sup> Quarter Technical MUNIMEC Forum was postponed due to the National COVID-19 Lock-down

Programme: Administration							
Sub-programme: Finance							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Annual Financial Statements approved	1 Annual Financial Statement compiled	2016/17 Annual Financial Statement approved	2017/18 Annual Financial Statements approved	2018/19 Annual Financial Statements approved	Achieved 2018/19 Annual Financial Statements approved	None	None
Percentage of invoices paid within 30 days	-	-	-	100% Invoices paid within 30 days	Achieved 100% Invoices paid within 30 days	None	None
Approved Budget	2017/18 Budget approved	2018/19 Budget approved	2019/20 Approved Budget	2020/21 Approved budget	Achieved 2020/21 Approved Budget	None	None
				2019/20 Adjustment Budget approved	Achieved 2019/20 Adjustment budget approved		
Number of Risk Management Reports approved	4 Monitoring Reports on Risk Management compiled	4 Risk Management Reports approved	4 Risk Management Reports approved	4 Risk Management Reports approved	Achieved 4 Risk Management Reports approved	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Human Resource Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
HR Oversight Report approved	4 HR Oversight Reports compiled (Approved 2015/16 HR Oversight; 1 <sup>st</sup> Quarter, Mid-term, 9 Months and 4 <sup>th</sup> Quarter 2016/17 HR Oversight)	2 HR Oversight Reports compiled (Approved 2016/17 HR Oversight report and 2 <sup>nd</sup> Quarter 2017/18 Hr Oversight report)	2 HR Oversight Reports (Approved 2017/18 HR Oversight and 2 <sup>nd</sup> Quarter 2018/19 HR Oversight)	2 HR Oversight Reports	Achieved 2 HR Oversight Reports approved (2018/19 HR Oversight and 2 <sup>nd</sup> Quarter 2019 /20 HR Oversight)	None	None
Approved HR plan	-	-	-	Approved HR Plan	Achieved HR Plan approved	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Legal Services							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Legal opinions provided within 1 month of request	95 Legal opinions provided	94 Legal opinions provided	110 Legal opinions provided within 1 month of request	70 Legal opinions provided within 1 month of request	<b>Achieved</b> 120 Legal opinions provided within 1 month of request	50 Additional legal opinions provided	More requests for legal opinions were received

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Security Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Approved Security Management Plan implemented	<b>Achieved</b> Approved Security Management Plan implemented	None	None				

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Planning and Programme Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Annual Performance Plan approved	2017/2018 APP approved	2018/2019 APP approved	2019/2020 APP approved	2020/2021 APP approved	<b>Achieved</b> 2020/2021 APP approved	None	None
Annual Performance Report approved	1 Annual Performance Report approved and submitted (2015/2016)	2016/17 Annual performance Report approved	2017/18 Annual Performance Report approved	2018/19 Annual Performance Report approved	<b>Achieved</b> 2018/19 Annual Performance Report approved	None	None
Number of Departmental Policies reviewed	Annual Policy Review held	Annual Policy review held	35 Departmental Policies reviewed	41 Departmental Policies reviewed	<b>Achieved</b> 41 Departmental Policies reviewed	None	None
Number of Evaluations conducted	-	-	-	1 OVS Implementation Evaluation	<b>Not achieved</b> Inception Report on the OVS Implementation Evaluation approved	OVS Implementation Evaluation not conducted	The OVS Implementation Evaluation is underway to be completed by December 2020

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Communication and IT Support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Approved Communication Plan implemented	Communication Plan approved and implemented	Communication Plan approved and implemented	Approved Communication Plan implemented	Approved Communication Plan implemented	<b>Achieved</b> Approved Communication Plan implemented	None	None
Approved IT Plan implemented	IT Plan approved and implemented	IT Plan approved and implemented	Approved IT Plan implemented	Approved IT Plan implemented	<b>Achieved</b> Approved IT Plan implemented	None	None

### **Reasons for deviations**

- The planned 4<sup>th</sup> Quarter MUNIMEC Forum was postponed due to the National COVID-19 Lockdown
- The planned 4<sup>th</sup> Quarter Technical MUNIMEC Forum was postponed due to the National COVID-19 Lockdown
- Additional 50 requests on legal opinions were received
- Delay in the appointment of suitable service provider to conduct the OVS Implementation Evaluation due to non-responsive bids received which necessitated a re-advertisement. A suitable service provider was appointed in November 2019, with the Evaluation Steering Committee established and the Inception Report approved in February 2020.

### **Strategy to overcome areas of under performance**

- The MUNIMEC Forum will take place once the President has lifted the restriction on gatherings
- The Technical MUNIMEC Forum will take place once the President has lifted the restriction on gatherings
- The OVS Implementation Evaluation is underway to be completed in December 2020

### **Changes to planned targets**

There were no changes made on the performance indicators and targets after the tabling and approval of the Annual Performance Plan, however, adjustments to the budget were done.

### **Linking performance with budgets**

The final budget allocation for the Programme R 144.065 million had increased by 12.7 percent or R 18.231 million in 2019/20 compared to R 125.836 million in 2018/19. This is due to the escalation in the operational costs of the department.

### **Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	10 065	10 060	5	7 516	7 516	-
Corporate Services	134 002	133 979	23	118 320	118 320	-
Total	<b>144 067</b>	<b>144 039</b>	<b>28</b>	125 836	125 836	-

## **4.2 Programme 2: Local Governance**

### **Purpose of the Programme**

This programme aims at strengthening the administrative and financial capacity of Municipalities as well as deepening democracy at local level in order to ensure that Municipalities perform their developmental responsibilities.

### **List of the sub-programmes**

- ✓ Municipal Administration
- ✓ Inter-Governmental Relations
- ✓ Public Participation
- ✓ Capacity Development
- ✓ Municipal Performance Monitoring Reporting and Evaluation
- ✓ Service Delivery Improvement Unit (Provincial Priority)

### **Strategic objectives for the financial year under review**

- ✓ To strengthen the administrative, oversight capacity and accountability of Municipalities to perform their developmental responsibilities
- ✓ To promote governance and participatory democracy at local level
- ✓ To facilitate public access to government information and services to communities through Thusong Service Centres

### **Strategic objectives, performance indicators, planned targets and actual achievements**

- ✓ In order to strengthen the administrative, oversight capacity and accountability of twenty (20) Municipalities to perform their developmental responsibilities, the Department supported Municipalities to obtain suitably qualified and competent Senior Managers, review organogram aligned to service delivery priorities, enhance Performance Management Systems and adopt service standards, capacitate Municipal officials and Councillors and revive inter-governmental structures. Further supported twenty (20) Municipalities to have good governance practices by monitoring the oversight role of Municipal councils which were able to play the oversight through Section 79, 80 committees and the Local Labour Forums (LLFs), Councillors adhering to code of conduct, Clear delineation of roles and responsibilities among political office bearers
- ✓ To promote governance and participatory democracy at local level in seventeen (17) Local Municipalities, the Department supported and monitored the functionality of Ward Committees, functional OVS War Rooms, guided municipalities to implement public participation programmes, and to respond to community concerns.
- ✓ In facilitating public access to government information and services to communities through Thusong Service Centres, the Department monitored the functionality of the existing twenty four (24) Thusong Service Centres, eight (8) Mobile Outreach Programmes, and supported the institutionalization of Batho Pele in municipalities

**Strategic objectives:**

Programme Name: LOCAL GOVERNANCE					
Strategic objectives	Actual Achievement 2018/2019	Annual Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>To strengthen the administrative, oversight capacity and accountability of Municipalities to perform their developmental responsibilities</b>	15 Municipalities with effective institutional arrangements (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Emalahleni, Emakhazeni, Dipaleseng, Dr Pixley Ka Isaka Seme, Steve Tshwete, Lekwa, Victor Khanye, Mkhondo, Bushbuckridge, Chief Albert Luthuli and Thembisile Hani)	20 Municipalities with effective institutional arrangements	<b>Achieved</b> 20 Municipalities with effective institutional arrangements (All municipalities in the Province)	None	None
	15 Municipalities with good governance practice (Lekwa, Dipaleseng, Msukaligwa, Dr Pixley Ka Isaka Seme, Steve Tshwete, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Mkhondo, Thaba Chweu, Nkomazi, Bushbuckridge and Chief Albert Luthuli)	20 Municipalities with good governance practice	<b>Achieved</b> 20 Municipalities have good governance practices (All municipalities in the Province).	None	None
<b>To promote governance and participatory democracy at local level</b>	15 Municipalities with effective public participation programmes (Nkomazi, Thaba Chweu, Bushbuckridge, City of Mbombela, Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka Isaka Seme, Dipaleseng and Msukaligwa)	17 Municipalities with effective public participation programmes	<b>Achieved</b> 17 Municipalities with effective public participation programmes (All local municipalities in the Province)	None	None
<b>To facilitate public access to government information and services to communities through Thusong Service Centres</b>	17 Municipalities with public access to government information and services to communities (Nkomazi, Thaba Chweu, Bushbuckridge, City of Mbombela, Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka Isaka Seme, Govan Mbeki, Dipaleseng, Lekwa and Msukaligwa)	17 Municipalities with functional public access to government information and services to communities	<b>Achieved</b> 17 Municipalities with functional public access to government information and services to communities (All local municipalities in the Province)	None	None

**Reasons for deviations**

- None

**Performance indicators**

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of Municipalities assessed on signed Senior Management Performance Agreement</b>	20 Municipalities assessed on signed Senior Management Performance Agreements	20 Municipalities assessed on signed Senior Management Performance Agreements	20 Municipalities assessed on signed Senior Management Performance Agreements	20 Municipalities assessed on signed Senior Management Performance Agreements	<b>Achieved</b> 20 Municipalities assessed on signed Senior Management Performance Agreements (All municipalities in the Province)	None	None
<b>Number of municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act (MSA)</b>	4 Monitoring reports on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act compiled	20 municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the MSA	20 municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the MSA	20 municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the MSA	<b>Achieved</b> 20 municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the MSA (All municipalities in the Province)	None	None
<b>Number of Municipalities monitored on effectiveness of s79, s80 Committees &amp; LLF</b>	20 Municipalities monitored on effectiveness of s79 and s80 Committees	20 Municipalities monitored on effectiveness of s79 and s80 Committees	20 Municipalities monitored on effectiveness of s79, s80 Committees & LLF	20 Municipalities monitored on effectiveness of s79, s80 Committees & LLF	<b>Achieved</b> 20 Municipalities monitored on effectiveness of s79, s80 Committees & LLF (All municipalities in the Province)	None	None

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its function</b>	4 Monitoring reports on effectiveness and stability of Municipal TROIKA in executing its functions compiled	20 Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	20 Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	20 Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	<b>Achieved</b> 20 Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions (All municipalities in the Province)	None	None
<b>Number of Municipalities supported to review organogram</b>	20 Municipalities supported to review organogram	13 Municipalities supported to review organograms (Gert Sibande District, Dipaleseng, Nkomazi, Victor Khanye, Mkhondo, Dr Pixley Ka Isaka Seme, Thaba Chweu, Bushbuckridge, Thembisile Hani, Emakhazeni, Dr JS Moroka, Lekwa and Msukaligwa)	17 Municipalities supported to review organogram (All local municipalities in the Province)	20 Municipalities supported to review organogram	<b>Achieved</b> 20 Municipalities supported to review organogram (All municipalities in the Province)	None	None
<b>Number of Municipalities supported to review Municipal By-laws</b>	9 Municipalities supported to review Municipal By-laws in line with the Framework (Msukaligwa, Nkomazi, Dr Pixley Ka Isaka Seme, Thembisile Hani, Emalaheni, Bushbuckridge, Dipaleseng, Dr JS Moroka and City of Mbombela)	12 Municipalities supported to review Municipal By-laws (Dr JS Moroka, Bushbuckridge, Nkomazi, Dipaleseng, Victor Khanye, Emalaheni, Msukaligwa, Emakhazeni, Thaba Chweu, Thembisile Hani, Dr Pixley Ka Isaka Seme and City of Mbombela)	17 Municipalities supported to review Municipal By-laws (All local municipalities in the Province)	17 Municipalities supported to review Municipal By-laws	<b>Achieved</b> 17 Municipalities supported to review Municipal By-laws (All local municipalities in the Province)	None	None
<b>Number of Municipalities supported on concurrence with National on the upper limits for Councillor benefits and allowances</b>	1 Report for concurrence with National on the upper limits for Councillor benefits and allowances compiled	20 Municipalities supported on concurrence with National on the upper limits for Councillor benefits and allowances	20 Municipalities supported on concurrence with National on the upper limits for Councillor benefits and allowances	20 Municipalities supported on concurrence with National on the upper limits for Councillor benefits and allowances	<b>Achieved</b> 20 Municipalities supported on concurrence with National on the upper limits for Councillor benefits and allowances (All municipalities within the Province)	None	None

## Sector Specific Performance Indicators

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of Municipalities supported to comply with MSA Regulations on the appointment of senior managers</b>	20 Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 5)	20 Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 5)	20 Municipalities supported to comply with MSA regulations on the appointment of senior managers	20 Municipalities supported to comply with MSA regulations on the appointment of senior managers	<b>Achieved</b> 20 Municipalities supported to comply with MSA regulations on the appointment of senior managers (All municipalities within the Province)	None	None
<b>Number of Municipalities guided to comply with the MPRA</b>	12 Municipalities supported to comply with the MPRA (Mbombela, Nkomazi, Umjindi, Emakhaseni, Dr JS Moroka, Victor Khanye, Dipaleseng, Thaba Chweu, Mkhondo, Govan Mbeki, Lekwa and Dr Pixley Ka Isaka Seme)	14 Municipalities supported to comply with the MPRA by 31 March 2018 (Dr JS Moroka, Govan Mbeki, Emalaheni, Lekwa, Nkomazi, Mkhondo, Emakhazeni, Thembisile Hani, Msukaligwa, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli, Dipaleseng, Victor Khanye and Steve Tshwete)	17 Municipalities supported to comply with the MPRA	17 Municipalities guided to comply with the MPRA	<b>Achieved</b> 17 Municipalities guided to comply with the MPRA (All local municipalities in the Province)	None	None
<b>Number of Municipalities monitored on the extent to which anti-corruption measures are implemented</b>	4 Monitoring reports on action taken to address Fraud and Corruption in municipalities compiled	4 Reports produced on the extent to which municipalities comply with the implementation of Anti-corruption measures complied	20 Municipalities monitored on the extent to which anti-corruption measures are implemented	20 Municipalities monitored on the extent to which anti-corruption measures are implemented	<b>Achieved</b> 20 Municipalities monitored on the extent to which anti-corruption measures are implemented (All municipalities in the Province)	None	None

Programme: Local Governance							
Sub-programme: Inter Governmental Relations							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of assessment reports on the performance of IGR structures at Provincial and District levels	4 Assessment reports on the performance of IGR structures at Provincial and District levels compiled	4 Assessment reports on the performance of IGR structures at Provincial and District levels compiled	4 Assessment reports on the performance of IGR structures at Provincial and District levels compiled	4 Assessment reports on the performance of IGR structures at Provincial and District levels	<b>Achieved</b> 4 Assessment reports on the performance of IGR structures at Provincial and District levels compiled	None	None
Number of municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers	-	1 Framework on relations between Provincial, District and local Speakers developed	3 District Municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers (All district municipalities in the Province)	3 District Municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers	<b>Achieved</b> 3 District Municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers (All District municipalities in the Province)	None	None
Number of Municipalities supported on the readiness of 2019 National / Provincial Elections	-	-	17 municipalities supported on readiness of 2019 National / Provincial Elections (All local municipalities in the Province)	17 Municipalities supported on readiness of 2019 National / Provincial Elections	<b>Achieved</b> 17 Municipalities supported on readiness of 2019 National / Provincial Elections (All local municipalities in the Province)	None	None

Programme: Local Governance							
Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of municipalities guided to implement public participation programmes	-	17 municipalities guided to implement public participation programmes	17 municipalities guided to implement public participation programmes (All local municipalities in the Province)	17 municipalities guided to implement public participation programmes	<b>Achieved</b> 17 municipalities guided to implement public participation programmes (All local municipalities in the Province)	None	None
Number of Municipalities supported on the functionality of OVS War rooms	17 Municipalities supported on the functionality of OVS War rooms	17 Municipalities supported on the functionality of OVS War rooms	17 Municipalities supported on the functionality of OVS War rooms (All local municipalities in the Province)	17 Municipalities supported on the functionality of OVS War rooms	<b>Achieved</b> 17 Municipalities supported on the functionality of OVS War rooms (All local municipalities in the Province)	None	None
Number of municipalities supported to maintain functional ward committees	1 Report on the establishment of Ward Committees compiled	17 Municipalities supported on the functionality of ward committees	17 Municipalities supported to maintain functional ward committees (All local municipalities in the Province)	17 Municipalities supported to maintain functional ward committees	<b>Achieved</b> 17 Municipalities supported to maintain functional ward committees (All local municipalities in the Province)	None	None
Number of municipalities supported to respond to community concerns	17 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 municipalities supported to respond to community concerns (All local municipalities in the Province)	17 municipalities supported to respond to community concerns	<b>Achieved</b> 17 municipalities supported to respond to community concerns (All local municipalities in the Province)	None	None

## Sector Specific Indicators

Programme: Local Governance							
Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of municipalities supported to maintain functional ward committees</b>	1 Report on the establishment of Ward Committees compiled	17 Municipalities supported on the functionality of ward committees	17 Municipalities supported to maintain functional ward committees (All local municipalities in the Province)	17 Municipalities supported to maintain functional ward committees	<b>Achieved</b> 17 Municipalities supported to maintain functional ward committees (All local municipalities in the Province)	None	None
<b>Number of municipalities supported to respond to community concerns</b>	17 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 municipalities supported to respond to community concerns (All local municipalities in the Province)	17 municipalities supported to respond to community concerns	<b>Achieved</b> 17 municipalities supported to respond to community concerns (All local municipalities in the Province)	None	None

Programme: Local Governance							
Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of Municipalities monitored on implementation of WSP's</b>	20 Municipalities coordinate on submission of WSPs and a report compiled on implementation	20 Municipalities monitored on submission and implementation of WSPs	20 Municipalities monitored on implementation of WSPs	20 Municipalities monitored on implementation of WSPs	<b>Achieved</b> 20 Municipalities monitored on implementation of WSPs (All local and district municipalities)	None	None

Programme: Local Governance							
Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of capacity building interventions conducted in Municipalities</b>	2 Capacity building interventions conducted in Municipalities (1 for Municipal officials on GCC2015 and 1 for Municipal Public Account Committees)	5 Capacity building interventions conducted in Municipalities (Local Economic Development, Waste Water Process Controllers, SPLUMA for spatial Development Planning, Research Methodology and Advance Water Treatment Plant)	5 Capacity building interventions conducted in Municipalities (Leadership Development Programme; Financial Management for non-financial managers training; Development of Asset Management Plan; Roles and Responsibilities for Ward Committees Coordinators and Water & Waste Water Treatment training Process Controllers)	3 Capacity building interventions conducted in Municipalities	<b>Achieved</b> 3 Capacity building interventions conducted in Municipalities (Training of Municipal Public Account Committees (MPACs on Financial Management; Training on Roles and Responsibilities for Ward Committee Coordinators; Training of Local Economic Development Practitioners of Steve Tshwete and Emalahleni)	None	None

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipal performance review sessions conducted	2 Municipal Performance Review Sessions conducted (1 <sup>st</sup> Quarter and Mid-term)	Mid-year Municipal performance review sessions conducted	2 Municipal Performance Review Sessions conducted (1 <sup>st</sup> Quarter and Mid-term)	2 Municipal Performance Review Sessions conducted	<b>Achieved</b> 2 Municipal Performance Review Sessions conducted (1 <sup>st</sup> Quarter and Mid-year)	None	None
Number of municipalities supported to align SDBIP with IDP	-	4 municipalities supported to align SDBIP with IDP (Nkomazi, Dipaleseng, Msukaligwa and Emakhazeni)	20 Municipalities supported to align SDBIP with IDP	20 Municipalities supported to align SDBIP with IDP	<b>Achieved</b> 20 Municipalities supported to align SDBIP with IDP (All municipalities in the Province)	None	None
Number of municipalities monitored on the implementation of IMSP	4 Monitoring reports on the IMSP implementation by Municipalities compiled	17 Municipalities monitored on the implementation of IMSP	17 Municipalities monitored on the implementation of IMSP (All local municipalities in the Province)	17 Municipalities monitored on the implementation of IMSP	<b>Achieved</b> 17 Municipalities monitored on the implementation of IMSP (All local municipalities in the Province)	None	None

#### Sector Specific Indicators

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Section 47 reports compiled as prescribed by the MSA	1 Municipal performance report as per the requirements of Section 47 of the MSA compiled	1 Municipal performance report as per the requirements of Section 47 of the MSA compiled	1 Section 47 report compiled as prescribed by the MSA	1 Section 47 report compiled as prescribed by the MSA	<b>Achieved</b> 1 Section 47 report compiled as prescribed by the MSA	None	None
Number of Municipalities supported to institutionalize Performance Management System (PMS)	11 Municipalities supported to institutionalize performance management system (PMS) (Dr Pixley Ka Isaka Seme, Msukaligwa, Dipaleseng, Lekwa, Emalahleni, Dr JS Moroka, Emakhazeni, Victor Khanye, Bushbuckridge, Thaba Chweu and Nkomazi)	13 Municipalities supported to institutionalize performance management system (PMS) (Lekwa, Msukaligwa, Dr Pixley Ka Isaka Seme, Steve Tshwete, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Mkhondo, Thaba Chweu, Nkomazi, Bushbuckridge, Govan Mbeki and Chief Albert Luthuli)	16 Municipalities supported to institutionalize performance management system (PMS) (Lekwa, Dipaleseng, Msukaligwa, Dr Pixley Ka Isaka Seme, Steve Tshwete, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Mkhondo, Thaba Chweu, Nkomazi, Bushbuckridge, Govan Mbeki and Chief Albert Luthuli)	20 Municipalities supported to institutionalize performance management system (PMS)	<b>Achieved</b> 20 Municipalities supported to institutionalize performance management system (PMS) (All municipalities in the Province)	None	None
Report on the implementation of Back to Basics action plans by Municipalities	4 Reports on implementation of Back to Basics support plans by Municipalities	4 Reports on implementation of Back to Basics support plans by Municipalities compiled	4 Reports on the implementation of Back to Basics support plans by Municipalities	4 Reports on implementation of Back to Basics action plans by Municipalities	<b>Achieved</b> 4 Reports on implementation of Back to Basics action plans by Municipalities	None	None

Programme: Local Governance							
Sub-programme: Service Delivery Improvement Unit (Provincial Priority)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of TSCs monitored on functionality</b>	Establishment of 3 TSCs facilitated (Emoyeni & Dayizenza Malls – The Department is in the process of lobbying Sector Departments to occupy space, and in Umjindi Trust)	23 TSCs monitored on functionality (Mbangwane, Mpuluzi, Moreme-la, Matsamo, Siyathemba, Xhimungwe, Casteel, Tholulwazi, Ogies, Adelaide Tambo, Doornkop, Wonderfontein, Breyten, Klarinet, Louisville, Marapyane, Sakhile, Verena, Morgenzon, Driefontein, Thuthukani, Daggakraal and Mashishing)	17 TSCs monitored on functionality (Mpuluzi, Wonderfontein, Moreme-la, Xhimungwe, Breyten, Daggakraal, Klarinet, Ogies, Adelaide Tambo, Casteel, Mashishing, Matsamo, Doornkop, Mbangwane, Louisville, Tholulwazi and Sakhile)	24 TSCs monitored on functionality	<b>Achieved</b> 24 TSCs monitored on functionality (Mbangwane, Daggakraal, Louisville, Moreme-la, Xhimungwe, Casteel, Adelaide Tambo, Ogies, Klarinet, Doornkop, Marapyane, Verena Breyten, Mpuluzi, Saul Mkhize, Sakhile Thuthukani, Morgenzon, Victor Khanye, Wonderfontein, Siyathemba, Mashishing, Tholulwazi, Umjindi)	None	None
<b>Number of Mobile Outreach programmes on government services and information facilitated in the Province</b>	17 Mobile Unit Outreach programmes facilitated in 9 Local Municipalities  (2 X Nkomazi, Chief Albert Luthuli, 2 X Dipaleseng, Govan Mbeki, Msukaligwa, Thaba Chweu, 2 X Bushbuckridge, Emalahleni and Dr JS Moroka  Local Municipalities)	8 Mobile Outreach Programmes facilitated in the Province (Nkomazi in Steenbok; Thaba Chweu in Leroro; Msukaligwa in Wesselton; Dr JS Moroka; Bushbuckridge in Zoeknog Ga moripa; Steve Tshwete in Sikhululiwe Village; Dipaleseng in Greeyngstad and Chief Albert Luthuli in Bettysgoed)	8 Mobile Outreach Programmes facilitated in the Province (Msukaligwa –Jerico dam Village; Dr JS Moroka – Senotlolo TC; Thaba Chweu – Leroro Community Hall; Nkomazi - Ntsambokhulu village; Dipaleseng – Balfour; Chief Albert Luthuli – fenine (feni) Community; Bushbuckridge – Belfast sport ground and Emalahleni - Klarinet	8 Mobile Outreach Programmes facilitated in the Province	<b>Achieved</b> 8 Mobile Unit Outreach programmes facilitated in the Province (Msukaligwa-Breyten; Dr JS Moroka-Maphanga Village; Thaba Chweu-Draaikraal; Nkomazi-Mbuzini; Dipaleseng –Nthoroane; Chief Albert Luthuli-Diepdale;. Bushbuckridge-Majembeni; Swallows Ground; Emalahleni-Klarinet)	None	None
<b>Number of monitoring reports on the implementation of the referred intervention on Community Satisfaction survey outcome</b>	4 monitoring reports on Community Satisfaction survey outcome referred for intervention compiled	4 Monitoring reports on the implementation of the referred interventions on Community Satisfaction Survey Outcome compiled	1 Community satisfaction survey on Local Government services conducted	4 Monitoring reports on the implementation of the referred interventions on Community Satisfaction Survey Outcome	<b>Achieved</b> 4 Monitoring reports on the implementation of the referred interventions on Community Satisfaction Survey Outcome compiled	None	None
<b>Number of Municipalities supported to institutionalize Batho Pele</b>	5 Municipalities institutionalized Batho Pele (Msukaligwa, Bushbuckridge, Chief Albert Luthuli, Dipaleseng and Steve Tshwete)	6 Municipalities supported to institutionalize Batho Pele (Emalahleni, Victor Khanye, Mkhondo, Dr Pixley Ka Isaka Seme, Lekwa and City of Mbombela)	4 Municipalities supported to institutionalize Batho Pele (Thembisile Hani, Dr JS Moroka, Chief Albert Luthuli and Govan Mbeki)	4 Municipalities supported to institutionalize Batho Pele	<b>Achieved</b> 4 Municipalities supported to institutionalize Batho Pele (Dr JS Moroka, Thembisile Hani, Chief Albert Luthuli, and Govan Mbeki)	None	None

### **Reasons for deviations**

- None

### **Strategy to overcome areas of under performance**

- None

### **Changes to planned targets**

There were no changes made on the performance indicators and targets after the tabling and approval of the Annual Performance Plan, however, adjustments to the budget were done.

### **Linking performance with budgets**

The budget for the programme has increased by 2 percent or R 4.439 million from R 205.337 million in 2018/19 compared to R 209.779 million in 2019/20. The programme has managed to spend 100 percent of the final budget and all planned targets were achieved.

### **Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office Support	2 086	2 086	-	1 952	1 952	-
Municipal Administration	32 005	32 005	-	35 276	35 276	-
Municipal Finance	-	-	-	-	-	-
Public participation	167 473	167 470	3	160 505	160 505	-
Capacity Development	3 750	3 749	1	3 410	3 410	-
Municipal Performance Reporting and Evaluation	4 465	4 466	(1)	4 234	4 234	-
Total	<b>209 779</b>	<b>209 776</b>	<b>3</b>	<b>205 377</b>	<b>205 377</b>	<b>-</b>

## **4.3 Programme 3: Development and Planning**

### **Purpose of the Programme**

This programme aims to strengthening Municipalities on development and planning requirements as well as coordinating and enhancing the delivering of quality infrastructure to improve the provision of basic services in local government level

### **List of the sub-programmes**

- ✓ Strategy Development, Research, Policy and Planning (IDP Coordination)
- ✓ Spatial Planning
- ✓ Land Use Management
- ✓ Local Economic Development
- ✓ Municipal Infrastructure
- ✓ Water Services
- ✓ Disaster Management

### **Strategic objectives for the financial year under review**

- ✓ To facilitate and coordinate integrated planning for sustainable infrastructure development and service delivery

### **Strategic objectives, performance indicators, planned targets and actual**

- ✓ In facilitation and coordination of integrated planning for sustainable infrastructure development and service delivery, the Department assessed all 20 Municipalities on the implementation of SDFs, SPLUMA on Land Use Management, supported Municipalities to respond to disaster incidences and rehabilitation; monitored the IDP review and development process, LED and Infrastructure Programmes and Projects.

**Strategic objectives:**

Programme Name: DEVELOPMENT AND PLANNING					
Strategic objectives	Actual Achievement 2018/2019	Annual Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>To facilitate and coordinate integrated planning for sustainable infrastructure development and service delivery</b>	16 Municipalities with integrated development plans for sustainable infrastructure development and service delivery (Dipaleseng, Msukaligwa, City of Mbombela, Victor Khanye, Chief Albert Luthuli, Lekwa, Nkomazi, Govan Mbeki, Ehlanzeni, Mkhondo, Bushbuckridge, Thaba Chweu, Steve Tshwete, Thembisile Hani, Gert Sibande and Emakhazeni)	16 Municipalities with integrated development plans for sustainable infrastructure development and service delivery	<b>Achieved</b> 16 Municipalities with integrated development plans for sustainable infrastructure development and service delivery (Dipaleseng, Msukaligwa, City of Mbombela, Victor Khanye, Chief Albert Luthuli, Lekwa, Nkomazi, Govan Mbeki, Ehlanzeni, Mkhondo, Bushbuckridge, Thaba Chweu, Steve Tshwete, Thembisile Hani, Gert Sibande and Emakhazeni)	None	None

**Reasons for deviations**

None

**Performance indicators**

Programme: Development and Planning							
Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of Municipalities monitored on the IDP review process</b>	21 Municipalities supported with the development of legal compliant IDPs	20 Municipalities monitored on the IDP review process	20 Municipalities monitored on the IDP review process	20 Municipalities monitored on the IDP review process	<b>Achieved</b> 20 Municipalities monitored on the 2019/20 IDP review process (All municipalities in the Province)	None	None

**Sector Specific Indicator**

Programme: Development and Planning							
Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of Municipalities supported with development of IDP</b>	21 Municipalities supported with the development of legal compliant IDPs	20 Municipalities supported with the development of legal compliant IDPs	20 Municipalities supported with the development of IDPs	20 Municipalities supported with the development of IDPs	<b>Achieved</b> 20 Municipalities supported with the development of 2020/21 IDPs (All municipalities in the Province)	None	None

Programme: Development and Planning							
Sub-programme: Spatial Planning							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of Municipalities assessed on the implementation of SDFs</b>	20 Municipalities assessed on the implementation of SDFs	20 Municipalities assessed on the implementation of SDFs	20 Municipalities assessed on the implementation of SDFs	20 Municipalities assessed on the implementation of SDFs	<b>Achieved</b> 20 Municipalities assessed on the implementation of SDFs (All municipalities in the Province)	None	None
<b>Number of Municipalities supported on GIS</b>	20 Municipalities supported on GIS	<b>Achieved</b> 20 Municipalities supported on GIS (All municipalities in the Province)	None	None			
<b>Number of Municipalities supported with the implementation of SPLUMA on spatial planning</b>	17 Municipalities supported with the implementation of SPLUMA	20 Municipalities supported with the implementation of SPLUMA	20 Municipalities supported with the implementation of SPLUMA	20 Municipalities supported with the implementation of SPLUMA on spatial planning	<b>Achieved</b> 20 Municipalities supported with the implementation of SPLUMA on spatial planning (All municipalities in the Province)	None	None

Programme: Development and Planning							
Sub-programme: Land Use Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Number of development applications evaluated for comments</b>	65 Development applications evaluated for comments	55 Development applications evaluated for comments	58 Development applications evaluated for comments	35 Development applications evaluated for comments	<b>Achieved</b> 40 Development applications evaluated for comments	5 additional development applications evaluated	More applications received for evaluation.
<b>Number of settlements supported with tenure upgrading processes</b>	2 Settlements supported with tenure upgrading processes	2 Settlements supported with tenure upgrading	1 Settlement supported with tenure upgrading (Thembisile Hani)	1 Settlement supported with tenure upgrading	<b>Achieved</b> 1 Settlement supported with tenure upgrading (Kwaggafontein at Thembisile Hani local municipality)	None	None
<b>Number of survey services rendered in the Province</b>	258 Survey services rendered	302 Survey services rendered	243 Survey services rendered in the Province	200 survey services rendered in the Province	<b>Achieved</b> 249 Survey services rendered in the Province	49 Additional survey services rendered	More requests for surveying services received
<b>Number of Municipalities supported in the implementation of SPLUMA on LUM</b>	17 Municipalities supported in the implementation of SPLUMA on LUM	19 Municipalities supported in the implementation of SPLUMA on LUM (Dipaleseng, City of Mbombela, Dr JS Moroka, Chief Albert Luthuli, Thembisile Hani, Mkhondo, Victor Khanye, Lekwa, Thaba Chweu, Msukaligwa, Govan Mbeki, Emalahleni, Emakhazeni, Bushbuckridge, Steve Tshwete, Pixley Ka Isaka Seme, Nkangala District, Ehlanzeni District and Gert Sibande District)	19 Municipalities supported in the implementation of SPLUMA on LUM (Thaba Chweu, Bushbuckridge, Victor Khanye, Msukaligwa, Chief Albert Luthuli, Nkomazi, Lekwa, Mkhondo, Dr JS Moroka, Thembisile Hani, Emakhazeni, Nkangala, Dipaleseng, Dr Pixley Ka Isaka Seme, City of Mbombela, Govan Mbeki, Gert Sibande, Steve Tshwete and Emalahleni)	19 Municipalities supported in the implementation of SPLUMA on LUM	<b>Achieved</b> 19 Municipalities supported in the implementation of SPLUMA on LUM (Thaba Chweu, Bushbuckridge, Victor Khanye, Msukaligwa, Chief Albert Luthuli, Nkomazi, Lekwa, Mkhondo, Dr JS Moroka, Thembisile Hani, Emakhazeni, Nkangala, Dipaleseng, Dr Pixley Ka Isaka Seme, City of Mbombela, Govan Mbeki, Gert Sibande, Steve Tshwete and Emalahleni)	None	None

Programme: Development and Planning							
Sub-programme: Land Use Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities monitored on the implementation of the e-PGLUM system	-	-	8 Municipalities monitored on the implementation of e-PGLUM system (Msukaligwa, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli, Mkhondo, Lekwa, Dipaleseng, Govan Mbeki and Thaba Chweu)	12 Municipalities monitored on the implementation of e-PGLUM system	<b>Achieved</b> 12 Municipalities monitored on the implementation of e-PGLUM system (Nkomazi, City of Mbombela, Thaba Chweu, Bushbuckridge, Gert Sibande, Govan Mbeki, Dr Pixley Ka Isaka Seme, Lekwa, Dipaleseng, Msukaligwa, Mkhondo and Chief Albert Luthuli)	None	None

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities monitored on the functionality of LED Stakeholder Forums	20 Municipalities monitored on the functionality of the LED Stakeholder Forums	20 Municipalities monitored on the functionality of the LED Stakeholder Forums	20 Municipalities monitored on the functionality of the LED Stakeholder Forums	20 Municipalities monitored on the functionality of the LED Stakeholder Forums	<b>Achieved</b> 20 Municipalities monitored on the functionality of the LED Stakeholder Forums (All municipalities in the Province)	None	None
Number of work opportunities created through Youth Waste Management project	135 Work opportunities created through Youth Waste Management project	130 jobs created on Youth Waste Management project	106 Work opportunities created through Youth Waste Management project	93 work opportunities created through Youth Waste Management project	<b>Achieved</b> 93 Work opportunities created through Youth Waste Management project	None	None
Number of Municipalities supported to review municipal LED strategies	-	-	3 Municipalities supported to review municipal LED strategies (Chief Albert Luthuli, Nkomazi and Thaba Chweu)	3 Municipalities supported to review municipal LED strategies	<b>Achieved</b> 3 Municipalities supported to review municipal LED strategies (Bushbuckridge, Mkhondo and Steve Tshwete)	None	None
Number of Municipalities monitored on the implementation of LED projects in line with updated municipal LED strategies	9 Municipalities supported to implement LED catalytic projects in line with municipal LED strategies (Bushbuckridge, Thaba Chweu, Dr Pixley Ka Isaka Seme, Dipaleseng, Chief Albert Luthuli, Nkomazi, Steve Tshwete, Dr JS Moroka and Emalahleni)	6 Municipalities supported to implement LED catalytic projects in line with municipal LED strategies (Bushbuckridge, Thaba Chweu, Dr Pixley Ka Isaka Seme, Victor Khanye and Emalahleni)	6 Municipalities supported to implement LED catalytic projects in line with municipal LED strategies (Nkomazi, City of Mbombela, Dr JS Moroka, Mkhondo, Govan Mbeki and Emalahleni)	6 Municipalities monitored on the implementation of LED catalytic projects in line with municipal LED strategies	<b>Achieved</b> 6 Municipalities monitored on the implementation of LED catalytic projects in line with municipal LED strategies (City of Mbombela, Bushbuckridge, Emalahleni, Victor Khanye, Msukaligwa and Mkhondo)	None	None

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities monitored on CWP	26 431 Work opportunities maintained through the CWP in all local municipalities	27 170 Work opportunities maintained through the CWP in all local municipalities	17 Municipalities monitored on CWP (All local municipalities in the Province)	17 Municipalities monitored on CWP	<b>Achieved</b> 17 Municipalities monitored on CWP (All local municipalities in the Province)	None	None
Number of prioritized mining municipalities supported to enhance Integrated Development Plans and the Social Labour Plans aligned with IDPs	-	-	-	2 Prioritized mining municipalities supported to enhance Integrated Development Plans and the Social Labour Plans aligned with IDPs	<b>Achieved</b> 2 Prioritized mining municipalities supported to enhance Integrated Development Plans and the Social Labour Plans aligned with IDPs (Emalahleni and Steve Tshwete)	None	None

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of PMUs in Municipalities evaluated on MIG performance	18 PMUs in Municipalities evaluated on MIG performance	17 PMUs in Municipalities evaluated on MIG performance	17 PMUs in Municipalities evaluated on MIG performance (All local municipalities in the Province)	17 PMUs in Municipalities evaluated on MIG performance	<b>Achieved</b> 17 PMUs in Municipalities evaluated on MIG performance (All local municipalities in the Province)	None	None
Number of Municipalities monitored on the implementation of MIG programme	18 Municipalities monitored on the implementation of MIG projects An expenditure of R1.280 billion (71%) has been reported as at end March 2017	17 Municipalities monitored on the implementation of MIG projects An expenditure of R1.2 billion (66%) of the MIG allocation of R1.9 billion has been reported	17 Municipalities monitored on the implementation of MIG projects (All local municipalities in the Province) An expenditure of R1.26 billion (70%) of the MIG allocation of R1.79 billion has been reported	17 Municipalities monitored on the implementation of MIG programme	<b>Achieved</b> 17 Municipalities monitored on the implementation of MIG programme (All local municipalities in the Province) An expenditure of R1.157 925 billion (64%) of the MIG allocation of R1.813 621 billion has been spent as at end of March 2020	None	None

## Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities monitored on the implementation of infrastructure delivery programmes	18 Municipalities supported with service delivery programmes	17 Municipalities supported with service delivery programmes	17 Municipalities monitored on the implementation of infrastructure delivery programmes (All local municipalities in the Province)	17 Municipalities monitored on the implementation of infrastructure delivery programmes (Water, Sanitation, Electricity and Refuse Removal)	<b>Achieved</b> 17 Municipalities monitored on the implementation of infrastructure delivery programmes (Water, Sanitation, Electricity and Refuse Removal) (All local municipalities in the Province)	None	None
Number of Municipalities supported to implement indigent policies	18 Municipalities supported to implement indigent policies (FBS)	17 Municipalities supported to implement indigent policies (FBS)	17 Municipalities supported to implement indigent policies (FBS) (All local municipalities in the Province)	17 Municipalities supported to implement indigent policies (FBS)	<b>Achieved</b> 17 Municipalities supported to implement indigent policies (FBS) (All local municipalities in the Province)	None	None

Programme: Development and Planning							
Sub-programme: Water Services							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities monitored on the implementation of "War-on-Leaks" Programme	4 Monitoring reports on Municipalities implementing "War-on-Leaks" Programme	7 Municipalities monitored on the implementation of "War on Leaks" Programme (Bushbuckridge, Chief Albert Luthuli, City of Mbombela, Dr JS Moroka, Emakhazeni, Nkomazi and Thembisile Hani)	7 Municipalities monitored on the implementation of "War on Leaks" Programme (Bushbuckridge, City of Mbombela, Chief Albert Luthuli, Dr JS Moroka, Emakhazeni, Nkomazi and Thembisile Hani)	12 Municipalities monitored on the implementation of "War on Leaks" Programme	<b>Achieved</b> 12 Municipalities monitored on the implementation of "War on Leaks" Programme (Bushbuckridge, City of Mbombela, Chief Albert Luthuli, Dr JS Moroka, Govan Mbeki, Thembisile Hani, Nkomazi, Emakhazeni, Emalahleni, Victor Kanye, Lekwa, and Msukaligwa)	None	None
Number of Municipalities monitored on the status of WTW	4 Monitoring Reports on Blue Drop Compliance status of WTW by Municipalities	17 Municipalities monitored on the status of WTW	17 Municipalities monitored on the status of WTW (All local municipalities in the Province)	17 Municipalities monitored on the status of WTW	<b>Achieved</b> 17 Municipalities monitored on the status of WTW (All local municipalities in the Province)	None	None
Number of Municipalities monitored on the status of WWTW	4 Monitoring Reports on Green Drop Compliance status of WWTW by Municipalities	17 Municipalities monitored on the status of WWTW	17 Municipalities monitored on the status of WWTW (All local municipalities in the Province)	17 Municipalities monitored on the status of WWTW	<b>Achieved</b> 17 Municipalities monitored on the status of WWTW (All local municipalities in the Province)	None	None

Programme: Development and Planning							
Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities supported on disaster risk reduction campaigns	All 17 Municipalities supported on Disaster risk reduction campaigns	17 Municipalities supported on Disaster risk reduction campaigns	17 Municipalities supported on Disaster risk reduction campaigns (All local municipalities in the Province)	17 Municipalities supported on disaster risk reduction campaigns	<b>Achieved</b> 17 Municipalities supported on Disaster risk reduction campaigns (All local municipalities in the Province)	None	None
Number of reports on disaster incidences and rehabilitation responded to in the Province	4 Reports on disaster incidences and rehabilitation responded to in the Province compiled.	4 Reports on disaster incidences and rehabilitation responded to in the Province compiled	4 Reports on disaster incidences and rehabilitation responded to in the Province	4 Reports on disaster incidences and rehabilitation responded to in the Province	<b>Achieved</b> 4 Reports on disaster incidences and rehabilitation responded to in the Province compiled.	None	None
Number of events supported in the Province	4 Reports on Provincial events supported compiled	33 Events supported in the Province	23 Events supported in the Province	5 Events supported in the Province	<b>Achieved</b> 30 Events supported in the Province	25 Additional events supported	There was a request for more events to be supported in the Province

### Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Municipalities supported on fire brigade services	6 Municipalities supported on fire brigade services (Lekwa, Bushbuckridge, Thembisile Hani, Msukaligwa, Nkomazi and Steve Tshwete)	6 Municipalities supported on fire brigade services (City of Mbombela, Emalaheni, Dr JS Moroka, Govan Mbeki, Chief Albert Luthuli and Mkhondo)	5 Municipalities supported on fire brigade services (Thaba Chweu, Victor Khanye, Emakhazeni, Dipaleseng, and Dr Pixley Ka Isaka Seme)	6 Municipalities supported on fire brigade services	<b>Achieved</b> 15 Municipalities supported on fire brigade services (Bushbuckridge, Nkomazi, Chief Albert Luthuli, Lekwa, Mkhondo, Dipaleseng, Msukaligwa, Govan Mbeki, Dr Pixley Ka Isaka Seme, Emakhazeni, Steve Tshwete, Emalaheni, Victor Khanye, Thembisile Hani, and Dr JS Moroka)	9 Additional Municipalities supported	There was a demand of fire services assessment findings
Number municipalities supported to maintain functional Disaster Management Centres	4 Disaster Management Centres functional	3 Municipalities supported on functional Municipal Disaster Management Centres	3 Municipalities supported to maintain functional Municipal Disaster Management Centres (All District Municipalities in the Province)	3 Municipalities supported to maintain functional Municipal Disaster Management Centres	<b>Achieved</b> 3 Municipalities supported to maintain functional Municipal Disaster Management Centres (All District Municipalities in the Province)	None	None

### Reasons for deviations

- 5 additional development applications evaluated due to more applications received for evaluation.
- 49 Additional survey services rendered due to more requests for surveying services received
- 25 Additional events supported due to a request for more events to be supported in the Province
- 9 Additional Municipalities supported on fire brigade services due to a demand of fire services assessment findings

### Strategy to overcome areas of under performance

- None

### **Changes to planned targets**

There were no changes made on the performance indicators and targets after the tabling and approval of the Annual Performance Plan, however, adjustments to the budget were done.

### **Linking performance with budget**

The final budget for the programme amounts to R 84.043 million and has increased by 32.5 percent or R 27.313 million from R 56.730 million in 2018/19. This is due to the once off allocations of the procurement of Disaster Relief Materials. The programme has managed to spend 100 per cent of the final allocation and has in turn achieved 100 per cent of the planned targets for the financial year.

### **Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office Support	1 834	1 830	4	1 677	1 676	1
Strategy Development, Research and Policy (IDP)	6 087	6 084	3	5 576	5 576	-
Spatial Planning	15 186	15 186	-	13 254	13 254	-
Land Use Management	2 642	2 642	-	2 579	2 579	-
Local Economic Development	6 746	6 745	1	6 648	6 648	-
Municipal Infrastructure	4 856	4 850	6	19 547	19 548	(1)
Water Services						
Disaster Management	46 692	46 688	4	7 449	7 448	1
<b>Total</b>	<b>84 043</b>	<b>84 025</b>	<b>18</b>	<b>56 730</b>	<b>56 729</b>	<b>1</b>

## **4.4 Programme 4: Traditional Institutional Management**

### **Purpose of the Programme**

To strengthen the institution of Traditional Leaders in order to fulfil its mandate through sound financial and administrative management of Traditional Councils.

### **List of the sub-programmes**

- ✓ Traditional Institutional Administration
- ✓ Traditional Resource Administration
- ✓ Rural Development Facilitation
- ✓ Traditional Land Administration

### **Strategic objectives for the financial year under review**

Strengthen the institution of Traditional leadership to promote and contribute to service delivery, socio economic development, nation building, moral regeneration and preservation of culture within their jurisdiction

### **Strategic objectives, performance indicators, planned targets and actual achievements**

In order to strengthen the institution of Traditional leadership to promote and contribute to service delivery, socio economic development, nation building, moral regeneration and preservation of culture within their jurisdiction, the Department monitored the functionality of Traditional/Kings' Councils in terms of their participation in Municipal Councils, Ward Committees, OVS War rooms, operational offices, sound financial administration and clear accountability to the traditional communities.

### **Strategic objectives:**

<b>Programme Name: TRADITIONAL INSTITUTIONAL MANAGEMENT</b>					
Strategic objectives	Actual Achievement 2018/2019	Annual Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
<b>Strengthen the institution of Traditional leadership to promote and contribute to service delivery, socio economic development, nation building, moral regeneration and preservation of culture within their jurisdiction</b>	55 Traditional Councils functional	55 Traditional Councils functional	<b>Achieved</b> 55 Traditional Councils functional	None	None
	2 Functional Kings' Council functional (King Makhosonke II and King Mabhoko III)	2 Functional King's Council	<b>Achieved</b> 2 Functional Kings' Council (King Makhosonke II and King Mabhoko III)	None	None

### Reason for deviations

There were no deviations made.

### Performance indicators

Programme: Traditional Institutional Management							
Sub-programme: Traditional Institutional Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Capacity building programmes implemented for Traditional Councils	2 Capacity building programmes implemented for Traditional Councils (Socio Economic and Financial Management) in 3 Districts conducted	3 Capacity building programmes implemented for Traditional Councils (tractor Operators; Legislative Procedures on appointment and removal of Headmen; and Financial Management) in the 3 Districts	2 Capacity building programmes implemented for Traditional Councils (Legislative Prescripts and Financial Management)	2 Capacity building programmes implemented for Traditional Councils	<b>Achieved</b> 2 Capacity building programmes implemented for Traditional Councils (Legislative Prescripts and Financial Management) in 3 Districts conducted	None	None

### Sector Specific Indicator

Programme: Traditional Institutional Management							
Sub-programme: Traditional Institutional Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Percentage of succession claims / disputes processed	6 complaints finalized within 2 months after the date of receipt	6 Traditional Leadership Complaints finalized within 2 months after the date of receipt	100% (8) Successions claims / disputes processed	100% (6) Successions claims / disputes processed	<b>Achieved</b> 100% (6) Successions claims / disputes processed	None	None
Number of Traditional Councils supported to perform their functions	-	6- TCs/ Kings Councils supported on sound financial management	60 Traditional Councils supported to perform their functions	60 Traditional Councils supported to perform their functions	<b>Achieved</b> 60 Traditional Councils supported to perform their functions	None	None

Programme: Traditional Institutional Management							
Sub-programme: Traditional Resource Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of tools of trade provided to Traditional Councils	1 Tool of trade provided to Traditional Councils (Tractors)	3 Tools of trade provided to Traditional Councils (16 Framing Tractors for 16 TCs; 4 Farming Implements to 60 TCs and Office furniture to 5 TCs – (Gutshwa, Msogwaba, Masoyi, Mbuyane and Lomshiyio)	60 Traditional Councils monitored on the usage of Tools of trade	1 Tool of trade provided to Traditional Councils	<b>Not Achieved</b>	1 Tool of trade procured but not provided to Traditional Councils due to the COVID-19 National Lockdown	Tool of trade will be provided upon the uplifting of the National Lockdown
Number of Traditional / Kings Councils supported on the holding of cultural ceremonies	-	60 Traditional / Kings Councils supported on the holding of cultural ceremonies	59 Traditional / Kings Councils supported on the holding of cultural ceremonies	55 Traditional / Kings Councils supported on the holding of cultural ceremonies	<b>Achieved</b> 60 Traditional / Kings Councils supported on the holding of cultural ceremonies	5 Additional TCs supported on the holding of cultural ceremonies	The 5 additional TCs resolved their challenges (4 x mourning and 1 x dispute) and were offered an opportunity to participate in the holding of cultural ceremonies

Programme: Traditional Institutional Management							
Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Traditional Leaders supported to participate in Municipal Councils	22 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	25 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	28 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	30 Traditional Leaders supported to participate in Municipal Councils	<b>Achieved</b> 42 Traditional Leaders supported to participate in Municipal Councils	12 Additional TCs supported to participate in Municipal Councils	The additional 12 TCs conducted meetings to discuss issues around their participation and resolved to participate in Municipal Councils
Number of Traditional Councils supported to participate in the IDP processes	40 TCs which made written submissions into municipal IDP processes	51 TCs which made written submissions into municipal IDP processes	55 TCs mobilized to participate in municipal IDP processes	55 Traditional Councils supported to participate in the IDP processes	<b>Achieved</b> 55 Traditional Councils supported to participate in the IDP processes	None	None
Number of Traditional Councils mobilised to participate in Ward Committees	15 Traditional Councils mobilised to participate in Ward Committees (Gutshwa, Moreipuso, Mbuyane, Nkambeni, Masoyi, Embhuleni, Mantjolo, Enikwakuyengwa, Madabukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Mabusa, Kgarudi, Mogane and KwaNdwalaza)	25 Traditional Councils mobilised to participate in Ward Committees (Mathibela, Lomshiyi, Mhlaba, Mlambo, Kgarudi, HHoyi, Matsamo, Ndlela, Ebutsini, Embhuleni, Somcuba Bhevula, Mandlamakhulu, Enikwakuyengwa, Mantjolo, Manala Mgibe, Ndzundza Mabhoko, Ndzundza Pungutsha, Ndzundza Fene, Manala Makerane, Ndzundza Somphalali, Bakgatla Ba Maloka, Barolong Ba Lefifi, Manala Mbhongo, Bakgatla Ba Mmakau, Bakgatla Ba Moepi)	30 Traditional Councils mobilised to participate in Ward Committees (Hoxane, Matsamo, Mashilane, Moletele, Mathibela, Enkambeni, Mahlaba, Kgarudi, Sethlare, Hhoyi, Madabukela, Duma, Msogwaba, Ogenyaneni, KwaNdwalaza, Enikwakuyengwa, Mahlaphahla, Embhuleni, Mandlangampisi, Ebutsini, Bakgatla Ba Maloka, Ndzundza Fene, Ndzundza Phungutsha, Ndzundza Mabhoko, Bakgatla Ba Seabe, Manala Makerana, Manala Mgibe, Ndzundza Somphalali, Malele and Ndlela)	34 Traditional Councils mobilised to participate in Ward Committees	<b>Achieved</b> 35 Traditional Councils mobilised to participate in ward committees: (Somcuba Bhevula, Embhuleni, Jongilanga, Manala Mgibe, Bakgatla Ba Mmakau, Moreipuso, Amashangana, Ebutsini, Ndlela, Bakgatla Ba Maloka, Bakgatla Ba Moepi, Mogane, Mohlala Morudi, Mashilane, Manala Makerane, Barolong Ba Lefifi, Gutshwa, Lekgoetla, Ndzundza Somphalali, Msogwaba, Mandlamakhulu, Malele, Ogenyaneni, Bakgatla Ba Seabe, Mawewe, Lomshiyi, Mlambo, Mnisi, Mandlangampisi, Mbuyane, Hhoyi, Duma, Siboshwa, Mathibela, KwaNdwalaza)	1 Additional TC mobilised to participate in Ward Committees	The 1 additional TC (Moletele) resolved its participation challenges and requested to participate

Programme: Traditional Institutional Management							
Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of TCs mobilised to participate in OVS war rooms	15 TCs mobilised to participate in OVS war rooms (KwaNdwalaza, Mahlaphahlapha, Ogenyaneni, Madubukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Somphalali, Bakgatla Ba MMaloka, Bakgatla Ba Mmakau, Ndzundza Mabusa, Masoyi, Msogwaba, Matsamo, Moletele and Malele)	20 TCs mobilised to participate in OVS war rooms (Mandlangempisi, Duma, Emfumbeni, Ndlela, Mandlamakhulu, Somcuba Bhevu, Mahlaphahlapha, Madubukela, Ebutsini, Enikwakuyengwa, Manala Makerane, Barolong Ba Lefifi, Bakgatla Ba Mmakau, Manala Mbongo, Ba Mocha Ba Moepi, Mdluli, Lomshiyi, Mhlaba, Mlambo and Kgarudi)	30 TCs mobilised to participate in OVS war rooms (Emjindini, Msogwaba, Moletele, Ebutsini, Mahlaphahlapha, Enikwakuyengwa, Enkhaba, SomcubaBhevu, Embhuleni, Mandlangampisi, Ndlela, Emfumbeni, Duma, Mpsikazi, Madabukela, Mandlamakhulu, Lekgoetla, KwaNdwalaza, Mantjolo, Ogenyaneni, Ndzundza Somphalali, Mambo, Gutshwa, Ndzundza Phungutsha, Barolong Ba Lefifi, Bakgatla Ba Mmakau, Bakgatla Ba Seabe, Masoyi, Mbuyane and Mpakeni)	34 TCs mobilised to participate in OVS war rooms	<b>Achieved</b> 34 TCs mobilised to participate in OVS war rooms (Mhlaba, Enkhaba, Emjindini, Lekgoetla, Kwalugedlane, Thabakgolo, Mantjolo, Ndzundza Somphalali, Manala Mgibe, Malele, Moreipuso, Embhuleni Mandlamakhulu, Kwandwalaza, Mpa-keni, Madabukela, Mlambo, Mahlaphahlapha, Sethlare, Kgarudi, Hoxane, Somcuba Bhevu, Lomshiyi, Mpsikazi, Mnisi, Ogenyaneni, Mawewe, Ndlela, Madlangampisi Mogane Msogwaba, Enikwakuyengwa, Matsamo , Moletele)	None	None
Number of partnership Agreements that exist between Traditional Councils and PPPs (formal or informal)	4 Partnership Agreements that exist between Traditional Councils and PPPs <b>Formal Partnership Agreements:</b> -Komati Land Forest limited and Mpsikazi TC -Morning tide investment 254 (Pty) Ltd and Mpsikazi TC <b>Informal Partnership Agreements:</b> -Old Age Centre and Msogwaba TC -Samora Camp Lodge and Hoxane TC	3 Partnership Agreements that exist between Traditional Councils and PPPs <b>Formal Partnership Agreements:</b> -Optimprops 90 (Pty) Ltd and Malele TC -Hardware Business -WIMS plant Hire (Pty) Ltd and MMM Plus Mining Services informal partnership with Mandlamakhulu, Embhuleni, Mantjolo TCs -Samsung Elec- tronic Sa (Pty) Ltd in informal partnership with Mpsikazi TC	3 Partnership Agreements that exist between Traditional Councils and PPPs <b>Formal Partnership Agreements:</b> -Vodacom (Pty) Ltd and Msogwaba TC –(rights of servitudes to communication tower) <b>Informal Partnership Agreements:</b> -Enkambeni TC & Enkambeni Lodge -Vodacom (Pty) Ltd and Masoyi TC – (rights of servitudes to communication tower)	3 Partnership Agreements that exist between Traditional Councils and PPPs (formal or informal)	<b>Achieved</b> 3 Partnership Agreements that exist between Traditional Councils and PPPs (formal or informal) (Vodacom (PTY) LTD Lease agreement and Mbuyane TC - formal) (Partnership between Chris Van Skakweik (Mdluli Safari Lodge) and Mdluli TC -Informal) (Vodacom (Pty)Ltd and Barolong Ba Lefifi TC - Formal)	None	None

Programme: Traditional Institution Management							
Sub-programme: Traditional Land Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of Traditional land cases resolved within 2 months of receipt	22 Traditional land cases resolved within 2 months of receipt	20 Traditional land cases resolved within 2 months of receipt	23 Traditional land cases resolved within 2 months of receipt	16 Traditional land cases resolved within 2 months of receipt	<b>Achieved</b> 16 Traditional land cases resolved within 2 months of receipt	None	None
Number of district TCs mobilized to participate in spatial planning	3 District TCs mobilized to participate in land use planning	18 TCs mobilized to participate in spatial planning	40 TCs mobilized to participate in spatial planning	45 TCs mobilized to participate in spatial planning	<b>Achieved</b> 47 TCs mobilized to participate in spatial planning	2 Additional TCs mobilised to participate in spatial planning	The 2 Additional TCs (Mpsikazi and Enikwakuyengwa) availed themselves to participate in spatial planning

#### **Reasons for deviations**

- 1 Tool of trade procured, but not provided to Traditional Councils due to COVID-19 National Lockdown
- The 5 additional TCs supported on the holding of cultural ceremonies due to that they had resolved their challenges (4 x mourning and 1 x dispute) and were offered an opportunity to participate in the holding of cultural ceremonies
- The 12 additional TCs supported to participate in Municipal Councils conducted meetings to discuss issues around their participation and resolved to participate in Municipal Councils
- The 1 Additional TC (Moletele) mobilized to participate in Ward Committees resolved its participation challenges and requested to participate
- The 2 Additional TCs mobilised to participate in spatial planning availed themselves to participate in spatial planning

#### **Strategy to overcome areas of under performance**

- The 1 Tool of trade will be provided to Traditional Councils upon uplifting of the COVID 19 National Lockdown.

#### **Changes to planned targets**

There were no changes made on the performance indicators and targets after the tabling and approval of the Annual Performance Plan, however, adjustments to the budget were done.

#### **Linking performance with budgets**

The budget for the programme had significantly increased by R 31.333 million or 21.4 percent from R 114.985 million in 2018/19 to R 146.318 million in 2019/20. This increase is due to the allocation for the ongoing project of procurement of official vehicles (tools of Trade) for Traditional Councils. The programme has managed to spend 100 percent, however not all planned targets were achieved.

#### **Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office Support	2 017	2 015	2	1 858	1 858	-
Traditional Institution Administration	17 263	17 261	2	18 042	18 042	-
Traditional Resource Administration	117 815	117 812	3	85 381	85 383	(2)
Rural Development Facilitation	5 788	5 786	2	6 497	6 442	55
Traditional Land Administration	3 435	3 433	2	3 207	3 208	(1)
<b>Total</b>	<b>146 318</b>	<b>146 307</b>	<b>11</b>	<b>114 985</b>	<b>114 933</b>	<b>52</b>

## 4.5 Programme 5: House of Traditional Leaders

### Purpose of the Programme

The Mpumalanga House of Traditional Leaders (MPHTL) Programme performs an oversight function over Government Departments and Agencies pertaining service delivery projects and Programmes in Traditional communities.

### List of the sub-programmes

- ✓ Administration of the House of Traditional Leaders
  - Office of the Chairperson
  - Office of the Secretary
  - Research, Policy Development and Planning
  - Legal Services
  
- ✓ Committees and Local Houses
  - Committees
  - Local Houses

### Strategic objective for the financial year under review

- ✓ To advise government on policy and legislative development affecting Traditional Leaders, communities, custom, heritage and tradition.

### Strategic objectives, performance indicators, planned targets and actual achievements

To advise government on policy and legislative development affecting Traditional Leaders, communities, custom, heritage and tradition, the Department ensured that sittings of HTL structures (Forums, Committees and Traditional Leaders Indaba) are convened, research, legal services are rendered and the Mpumalanga House of Traditional Leaders Local Houses interacted with stakeholders through oversight visits to projects which benefited Traditional Communities.

### Strategic objectives:

Programme Name: HOUSE OF TRADITIONAL LEADERS					
Strategic objectives	Actual Achievement 2018/2019	Annual Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To advise government on policy and legislative development affecting Traditional Leaders, communities, custom, heritage and tradition	Provincial House of Traditional Leaders is functional and effective	A functional and effective Provincial House of Traditional Leaders	<b>Achieved</b> Provincial House of Traditional Leaders is functional and effective	None	None
	Collaboration between Local Houses and Stakeholders increased	Increased collaboration between Local Houses and Stakeholders	<b>Achieved</b> Collaboration between Local Houses and Stakeholders increased	None	None

### Reasons for deviations

None

### Performance indicators

Programme: House of Traditional Leaders							
Sub-programme: Business Support (Administration of the House of Traditional Leaders)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of matters affecting the business of HL processed	-	4 Matters affecting the business of HTL processed	1 Matter affecting the business of HTL processed (Agricultural programmes in traditional communities)	1 Matter affecting the business of HTL processed	<b>Achieved</b> 1 Matter affecting the business of HTL processed (Agricultural programmes in traditional communities)	None	None

<b>Programme: House of Traditional Leaders</b>							
<b>Sub-programme: Business Support (Administration of the House of Traditional Leaders)</b>							
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Actual Achievement 2018/2019</b>	<b>Planned Target 2019/2020</b>	<b>Actual Achievement 2019/2020</b>	<b>Deviation from planned target to Actual Achievement for 2019/2020</b>	<b>Comment on deviations</b>
Number of Oversight reports on provincial health programmes of HIV and AIDS	1 Oversight report on provincial programmes on health campaigns on HIV and AIDS compiled	1 Oversight report on provincial health programmes of HIV and AIDS	1 Oversight report on provincial health programmes of HIV and AIDS compiled	1 Oversight report on provincial health programmes of HIV and AIDS	<b>Achieved</b> 1 Oversight report on provincial health programmes of HIV and AIDS	None	None
Number of Approved Research reports on Genealogy	6 Approved Research reports on Genealogy compiled	6 Approved Research reports on Genealogy compiled	6 Approved Research reports on Genealogy compiled	6 Approved Research reports on Genealogy	<b>Achieved</b> 6 Research reports on Genealogy approved	None	None
Number of Research services rendered for the HTL	2 Reports on Research services rendered for the HTL compiled	2 Research services rendered for the HTL	2 Research services rendered for the HTL	2 Research services rendered for the HTL	<b>Achieved</b> 2 Research services rendered for the HTL	None	None
Number of Legal services impacting on the institution of Traditional Leadership rendered	4 Reports on legal services rendered to the HTL compiled	6 legal services impacting on the institution of Traditional Leadership rendered	6 Legal services impacting on the institution of Traditional Leadership rendered	6 Legal services impacting on the institution of Traditional Leadership rendered	<b>Achieved</b> 6 Legal services impacting on the institution of Traditional Leadership rendered	None	None
Number of initiation schools complying with the Ingoma ACT	5 Initiation schools that comply with relevant legislation (Ingoma Act)	10 Initiation schools that comply with relevant legislation (Ingoma Act)	15 Registered initiation schools monitored to comply with Ingoma Act	20 initiation schools complying with the Ingoma ACT	<b>Achieved</b> 177 initiation schools complying with the Ingoma ACT	157 Additional Initiation schools complied to the INGOMA ACT	The additional 157 initiation schools requested to be checked on compliance as well

<b>Programme: House of Traditional Leaders</b>							
<b>Sub-programme: Committees and Local Houses</b>							
<b>Sub-sub programme: Provincial Committees</b>							
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Actual Achievement 2018/2019</b>	<b>Planned Target 2019/2020</b>	<b>Actual Achievement 2019/2020</b>	<b>Deviation from planned target to Actual Achievement for 2019/2020</b>	<b>Comment on deviations</b>
Number of Provincial House Committees functional	5 functional Provincial House Committees	5 functional Provincial House Committees	5 Provincial House Committees functional	5 Provincial House Committees functional	<b>Achieved</b> 5 functional Provincial House Committees	None	None
Number of awareness campaigns conducted in traditional communities to sensitize vulnerable groups on their Rights	-	-	-	12 Awareness campaigns conducted in traditional communities to sensitize vulnerable groups on their Rights	<b>Achieved</b> 12 Awareness campaigns conducted in traditional communities to sensitize vulnerable groups on their Rights	None	None

<b>Programme: House of Traditional Leaders</b>							
<b>Sub-programme: Committees and Local Houses</b>							
<b>Sub-sub programme: Local Houses</b>							
<b>Performance Indicator</b>	<b>Actual Achievement 2016/2017</b>	<b>Actual Achievement 2017/2018</b>	<b>Actual Achievement 2018/2019</b>	<b>Planned Target 2019/2020</b>	<b>Actual Achievement 2019/2020</b>	<b>Deviation from planned target to Actual Achievement for 2019/2020</b>	<b>Comment on deviations</b>
Number of functional Local Houses	3 Local Houses functional (Ehlanzeni, Nkangala and Gert Sibande)	3 Local Houses functional (Ehlanzeni, Nkangala and Gert Sibande)	3 Functional Local Houses I (Ehlanzeni, Nkangala and Gert Sibande)	3 Functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	<b>Achieved</b> 3 Functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	None	None

<b>Programme: House of Traditional Leaders</b> <b>Sub-programme: Committees and Local Houses</b> <b>Sub-sub programme: Local Houses</b>							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of oversight reports on agricultural projects in Traditional communities	4 Oversight reports on agricultural projects in Traditional communities compiled	4 Oversight reports on agricultural projects in Traditional communities compiled	4 Oversight reports on agricultural projects in Traditional communities	4 Oversight reports on agricultural projects in Traditional communities	<b>Achieved</b> 4 Oversight reports on agricultural projects in Traditional communities compiled	None	None

#### **Reasons for deviations**

- 157 Additional Initiation schools complied to the INGOMA ACT due to their request to be checked on compliance as well

#### **Strategy to overcome areas of under performance**

None

#### **Changes to planned targets**

There were no changes made on the performance indicators and targets after the tabling and approval of the Annual Performance Plan, however, adjustments to the budget were done.

#### **Linking performance with budgets**

The final budget for the programme has increased by R 0.572 million or 2.6 percent from R 21.235 million in 2018/19 to R 21.807 million in 2019/20. This is due to the budget reductions over the 2016 MTEF and Post Budget Adjustment Virements on savings to assist other programmes with spending pressures. The savings resulted from the reclassification of sessional allowances from goods and services to compensation of employees by SARS. The programme has managed to spend 97.8 percent of the final allocation and has achieved 100 percent of the planned targets.

#### **Sub-programme expenditure**

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration of HTL	9 031	9 027	4	8 398	8 399	(1)
Committees and Local Houses of Traditional Leaders	12 776	12 291	485	12 837	12 836	1
<b>Total</b>	<b>21 807</b>	<b>21 318</b>	<b>489</b>	21 235	21 235	-

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

The Department does not transfer payments to Public Entities

### 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
Amashangana	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	-	-	N/A
Bakgatla Ba Mocha Ba Maloka	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Mmakau	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	147	147	N/A
Bakgatla Ba Mocha Ba Moepi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Seabe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	131	131	N/A
Barolong Ba Lefifi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Duma	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ebutsini	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Embhuleni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Emfumbeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Emjindini	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Enikakuyengwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Enkhaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Gutshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Hhoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Hoxane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	118	118	N/A
Jongilanga	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	109	109	N/A
Kgarudi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
KwaNdwalaza-Mahlobo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Lekgoetla	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	108	108	N/A
Lomshiyo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Lugedlane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Madabukela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
Mahlaphahlapha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Malele	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala Makerane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	113	113	N/A
Manala Mbongo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala Mgibe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mandlamakhulu	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mandlangampisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mantjolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mashilane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Masoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mathibela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Matsamo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mawewe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mbuyane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mdluli	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	146	146	N/A
Mhlaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	142	142	N/A
Mlambo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	75	75	N/A
Mnisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mogane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mohlala	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Moletete	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	149	149	N/A
Moreipuso	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mpakeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	127	127	N/A
Mpisikazi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Msogwaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndebele Kingdom		Annual Commemoration	Yes	300	300	N/A
Ndlela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Fene	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Mabhoko III	TC's	Administration	Yes	150	150	N/A
	King	Annual Commemoration	Yes	300	300	N/A
Ndzundza Mabusa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
Ndzundza Pungutsha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Somphalali	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Nkambeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ogenyaneni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Sethlare	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Siboshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	-	-	N/A
Somcuba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Thabakgolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	108	108	N/A
<b>TOTAL TRANSFERS</b>				<b>20 775</b>	<b>20 775</b>	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2019 to 31 March 2020, but no transfer payments were made

Name of transferee	Type of organization	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Amashangane	TC	Administration	150	-	
Ndzundza Mabhoko III	TC	Cultural ceremony	200	-	Not requested
Siboshwa	TC	Administration	150	-	
<b>TOTALS</b>			<b>500</b>	<b>-</b>	

### Transfer payments to Municipalities

The table below reflects the transfer payments which were budgeted for in the period 1 April 2019 to 31 March 2020, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
-	-	-	-	-	-	-
<b>TOTALS</b>						

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

The Department had EPWP conditional grant and earmarked funds allocated for the period under review as follows.

The departmental earmarked R 80.0 million is broken down as follows;

- An amount of R 1.500 million to facilitate section 106 investigations in 3 identified local municipalities within the province.
- R 26.500 million for the procurement of disaster relief material stock pile for the next 3 financial years.
- R 31.0 million for the procurement of vehicles for Traditional Councils in the province.
- R 21.0 million for the payment of transfers to Traditional Councils for Cultural Ceremonies and Operational Grants.

### 6.2 Conditional grants and earmarked funds received

The Department received a conditional grant for the implementation of the Youth Waste Management Project through the Expanded Public Works Programme amounting to R 2.251 million and R 2.167 million or 96 percent was spent in the year under review. The funds were received through the Provincial Treasury. In terms of the condition of the grant, the Department planned to maintain 93 work opportunities, and successfully achieved this target.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2019 to 31 March 2020.

## Conditional Grant : Expanded Public Works Programme

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme (EPWP)
Expected outputs of the grant	93 work opportunities created
Actual outputs achieved	93 work opportunities created
Amount per amended DORA	R2.251 million
Amount received (R'000)	R2.251 million
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R 2.167 million
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	Monthly reports

## 7. DONOR FUNDS

### 7.1 Donor Funds Received

The Department did not receive any donor funding during the period under review.

## 8. CAPITAL INVESTMENT

### 8.1 Capital investment, maintenance and asset management plan

The Department had no infrastructure projects or programmes other than the Maintenance and repair of elevators at the Provincial Disaster Management Centre and the Casteel Thusong Service Centre. The rerouting of electricity to the centre was initiated during March 2020 in order to separate the electricity supply meters between the Provincial Archives managed by the Department of Culture, Sport and Recreation and the Provincial Disaster Management Centre.

The completed infrastructure projects for elevators were transferred to the Bushbuckridge Local Municipality and Mpumalanga Department: Public Works, Roads and Transport respectively as the custodian of the assets. The Department will provide maintenance of assets during their lifecycles as the user of the assets

The Department's asset register is kept up to date through having a dedicated asset management section. The Department performs monthly reconciliations and quarterly physical asset verifications to ensure existence of assets and completeness of the assets register.

During the year under review the Department incurred an amount of R 1.432 million on infrastructure related projects of which the total value was transferred to the relevant institutions

Infrastructure projects	2019 /2020			2018/2019		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	-	-	-	-	-	-
- Upgrades and additions	527	527	-	3 957	3 957	-
- Rehabilitation, renovations and refurbishments	-	-	-	1 493	1 439	54
- Maintenance and repairs	876	905	(29)	-	-	-
Total	1 403	1 432	(29)	5 450	5 396	54

# **PART C: GOVERNANCE**

## 1. RISK MANAGEMENT

The Department has committed to the maintenance of the highest possible standards of good governance as this is fundamental to the management of public resources. In order to achieve good governance the Department has established the following governance structures for effective, efficient and economical utilization of state resources.

## 2. RISK MANAGEMENT

The Department has established risk and compliance management unit that is headed by Acting Director and the unit has achieved the following:

- Put up risk management structures and process (risk management committee in compliance with risk management framework),
- Risk identification within the Department has been undertaken both Strategic and Operational risks
- Risk mitigation action plans have been developed and adopted by management to address key risks and monitoring the implementation of the risk migration plan is conducted quarterly
- The Department has developed and approved the following policies and strategies to ensure the effective management of risks
  - o Risk Management Policy
  - o Risk Management Strategy
  - o Fraud Prevention Plan
  - o Whistle Blowing policy
  - o Risk Management Charter
  - o Risk Management Plan
  - o Key Performance Indicator for Risk Management Committee

Internal processes are established to sensitize all employees of the relevance of risk management to the achievements of their performance

## 3. FRAUD AND CORRUPTION

- The department's fraud prevention plan is in place
- Fraud awareness sessions are held and fraud pledges are signed by officials
- Fraud Awareness Workshops conducted.
- Fraud and corruption is reported through the National Hot line and cases reported are directed back to the Department and Internally fraud and corruption is reported through Presidential Line which is managed by Communication Section and referred to the relevant section for remedial actions
- Up to date there are no cases reported

## 4. MINIMISING CONFLICT OF INTEREST

- The department implemented several strategies in order to minimise conflict of interest by employees and this include amongst other:
- All members of SMS are required to complete financial disclosure forms as prescribed by DPSA at the beginning of each financial year.
- The Department has ensured that internal controls are strengthened to minimise conflict of interest in our Supply Chain. During competitive bidding or quotation processes, service providers are required to complete the necessary forms to disclose their interests in terms of employment or relationships with officials employed by the state. They are further also required to disclose as relationships with other businesses. Only suppliers registered on the Central Supplier Database are used as the system automatically verifies against the PERSAL system and also detects involvement in other businesses.
- The SCM processes further provide for the segregation of duties which also assists as a control measure to prevent and detect and conflicts of interest.
- All SCM role players are required to declare their interests annually and all SCM role players appointed on any of the three bid committees are required to declare their interests at each sitting of the committee.
- Bid Committee members are all required to declare their interest and to sign oath of secrecy

## 5. CODE OF CONDUCT

All staff members in the department are required to sign a code of conduct upon appointment. Workshops are conducted as part of induction programme to all our employees. Any breach of code of conduct is dealt with through disciplinary processes. For the year under review we did not have breach of code of conduct that was reported.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has complied with all safety standards in line with occupational health and safety act with the assistance of the department of Public Works Roads and Transport as the custodian of all our Government buildings.

## 7. PORTFOLIO COMMITTEES

The Department report to the Portfolio Committee on Co-operative Governance and Human Settlements. This is a political structure formed by the legislature to perform an oversight function to the Department. The committee review the Department's Strategic Plan, Annual Performance Plans and budgets annually before they get approved for implementation. Once approved, the implementation of the plans and budget are monitored on a quarterly basis and this is achieved through analysis of our implementation progress reports.

The Department is regularly required to submit responses to questions raised on the plans and progress reports. This include progress on implementation of recommendations

## 8. SCOPA RESOLUTIONS

There was no SCOPA sitting to deliberate on the Department's Annual Reports for 2013/14 to 2017/18 financial years except for SCOPA resolutions for 2018/19 financial year which was held on 18<sup>th</sup> March 2020. The reported progress on the previous financial years resolutions remained opened and unresolved.

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
12 of 2019	18 <sup>th</sup> March 2020	2.1.1 The Accounting Officer must provide a report on the implementation of the 2017/18 Audit Action Plan	<p>The Department has fully implemented the Audit Action Plan for 2017/18 financial year. The Department resolved all thirteen (13) housekeeping matters raised by the Office of the Auditor General.</p> <p>The Select Committee on Public Accounts (SCOPA) should note that the Department has recorded an improvement on the Internal Control Deficiencies and Performance Information findings during 2018/19 financial year as opposed to 2017/18 financial year.</p>	No
12 of 2019	18 <sup>th</sup> March 2020	<p><b>UNQUALIFIED AUDIT OPINION</b></p> <p>(i) The Accounting Officer must strengthen the monitoring system namely, Integrated Municipal Support Plan (IMSP) and provide quarterly progress reports, that will show improvement in ensuring that Municipalities would achieve clean audits.</p>	<p>The department is using the Integrated Municipal Support Plan (IMSP) to support and monitor all municipalities. The IMSP is reviewed annually and has clear quarterly targets aligned to the Back Basic Pillars of Putting People First, Basic Services, Good Governance, Financial Management and Building Capable Institutions. The performance is measured and reported on quarterly.</p> <p>Provincial Treasury and COGTA are providing support to all municipalities with disclaimed, adverse and qualified municipalities by reviewing their audit action plans.</p> <p>With the 18/19 audit outcomes PT, CoGTA, SALGA and the DM's already had a meeting with the adverse, disclaimed and qualified audit outcome municipalities to address the audit findings. All municipalities have developed Audit Action Plans and progress is monitored on a monthly basis.</p> <p>NT appointed consultants at Chief Albert Luthuli LM and Nkomazi LM through the "Pink" project to address their SCM challenges. PT will appoint Project Managers at municipalities who have Asset related challenges.</p>	No

12 of 2019	18 <sup>th</sup> March 2020	<p><b>IRREGULAR EXPENDITURE: PMDS</b></p> <p>(i) The Accounting Officer must provide proof that the irregular expenditure was caused by performance bonuses</p>	<p>Treasury Regulation paragraph 9.1.2 provides that; when an official of an institution discovers unauthorised, irregular or fruitless and wasteful expenditure, that official must immediately report such expenditure to the accounting officer. In the case of a department, such expenditure must also be reported in the monthly report, as required by section 40(4) (b) of the Act. Irregular expenditure incurred by a department in contravention of tender procedures must also be brought to the notice of the relevant tender board or procurement authority, whichever applicable.</p> <p>Furthermore Treasury Regulation paragraph 9.1.5 provides that; the amount of the unauthorised, irregular, fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the institution.</p> <p>The irregular expenditure was discovered by the Department during the review of all transactions relating to the 2018/19 financial year and subsequently all the steps as outlined above have been followed including reporting the transaction prior the audit to the Auditor General of South Africa (AGSA).</p> <p>The transaction was audited during the 2018/19 audit process by the AGSA as it was disclosed in the notes to the Audited Financial Statements included in the 2018/19 Annual Report. The Auditors have included a paragraph in the Audit Report (Paragraph 7) certifying that they have reviewed all the relevant documents relating to the transaction and it qualifies to be reported as irregular expenditure .We have attached the signed audit report as Annexure A, and it can also be viewed in the 2018/19 Annual Report on page 72 to page 74 in the Report of the Auditor General as well as note 21 to the Annual Financial Statements.</p>	<b>No</b>
		<p>(ii)The Accounting Officer must strengthen the monitoring system of the Performance Management Development System (PMDS) to prevent the recurrence during 2019/20 audit findings.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> All Performance Management and Development Moderating Committee (PMDMC) members will undergo an intensive training on performance assessment prior to the moderation exercise.</li> <li><input type="checkbox"/> The Department will develop a compliance checklist for Performance Management and Development Moderation.</li> <li><input type="checkbox"/> Pay Incentive bonuses in accordance to the Ministers determination of a percentage of a department's remuneration budget shall not be exceeded as required by Section 73 (3) of the Public Service Regulations 2016.</li> <li><input type="checkbox"/> Budget provision for PMDS will be made in accordance to the Ministers percentage limit determination.</li> <li><input type="checkbox"/> Ensure that allocated budget is not exceeded when processing payments for PMDS Incentives.</li> </ul> <p>Strengthen the controls for the management of PMDS within the Department by enforcing the first phase of assessment by the Intermediate Review Committee.</p>	<b>No</b>
		<p>(iii) The Department must report to the Committee on the decision by the Provincial Treasury regarding the condonement on the irregular expenditure.</p>	<p>The Department is still awaiting the outcome of the applications from the Provincial Treasury, progress will be submitted as and when feedback has been received.</p>	<b>No</b>
12 of 2019	18 <sup>th</sup> March 2020	<p><b>5.UNAUTHORISED EXPENDITURE</b></p> <p>The unauthorised expenditure amounting <b>R 22.011 million</b> be condoned without funding <b>R4.737 million</b> compensation of employees (COE) caused by the intake of Community Development Workers(CDW) and <b>R 17.274 million</b> payments for capital assets (Water for All Project)</p>	<p>The Department has as at 31 March 2020 processed a book entry to clear (write-off) the unauthorised expenditure in line with the recommendation of SCOPA without any funding. The R 22.011 million unauthorised expenditure will no longer reflect in the Annual Financial Statements of the department starting from 2019/20</p>	<b>Yes</b>

12 of 2019	18 <sup>th</sup> March 2020	<p><b>6.ACCRUALS</b></p> <p>(i) The Accounting Officer must strengthen the monitoring action plan and take disciplinary actions against officials responsible for accruals failed to comply with Treasury Regulation 8.2.3.</p>	<p>The Department had centralised the submission of invoices to Expenditure Unit and maintained a register which is monitored on daily basis to ensure that payments are made within 30 days after receipt.</p> <p>It is worth mentioning that, all the invoices received by the Department from 2016/17 to 2018/19 financial year were settled within 30 days from the date of receipt and there was no violation of Treasury Regulations paragraph 8.2.3 hence the Accounting Officer did not take disciplinary actions against any official.</p>	<b>No</b>
		<p>(ii) The Accounting Officer must ensure invoices are paid within 30 days after receipt of invoices.</p>	<p>The Department had centralised the submission of invoices to Expenditure Unit and maintained a register which is monitored on daily basis to ensure that payments are made within 30 days after receipt.</p> <p>All invoices are tracked, monitored and followed up from date of receipt until payment stage on daily basis and reports are submitted on monthly and quarterly basis on the status of payment of invoices within 30 days.</p>	<b>No</b>

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department had no prior modification to audit reports.

## 10. INTERNAL CONTROL UNIT

The Department has established a Risk and Compliance Management Unit that is headed by a Acting Director. The unit is responsible for reviewing the Department's level of compliance to laws and regulations as well as internal controls and policies. We have since developed and implemented a compliance monitoring tool to ensure that the Department identify and manage compliance to laws and regulations that affects its operations.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

### 11.1 Internal Audit

The Department utilizes the services of the shared Internal Audit function within the Office of the Premier. The shared Internal Audit function was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

The mission of the shared Internal Audit function, being what the shared Internal Audit aspires to accomplish, is to enhance and protect departmental value by providing risk-based and objective assurance, advice and insight.

In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary mandate and objective of the shared Internal Audit function is to provide an independent, objective assurance and consulting activity designed to add-value and improves the operations of the Department.

In keeping with its primary mandate, the shared Internal Audit supports the Head of the Department through evaluating and contributing to improving the effectiveness of risk management, control and governance processes. In addition, it also facilitates the functioning of the shared Audit Committee.

In accordance with the Treasury Regulation 3.2.6, which requires that internal audit must be in accordance with the Standards; during the year under review, the shared Internal Audit function ensured that their operations were aligned with the revised Standards.

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, it's Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing ("Standards") set by the Institute of Internal Auditors. During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. These plans were supported by the Head of the Department and approved by the Audit Committee in April 2019.

The Annual Internal Audit Coverage/Operational Plan identified different audit engagements and these were performed by the shared Internal Audit function as such. Respective reports were issued to Management communicating identified control weaknesses, recommendations for improvement(s), and incorporated agreed Management action plans for implementation of corrective action.

In addition, as required in terms of the PFMA and the approved Internal Audit Charter, the identified control weaknesses were also communicated and tabled at the meetings of the Audit Committee to allow for effective monitoring and oversight. The following is the summary of the audit work done by the shared Internal Audit function during the year under review as per the approved plans:

**Assurance services**

- Monitoring the Tracking of implementation of Audit action plans, were performed quarterly, on both Auditor-General and Internal Audit findings ( Assurance, Performance and IT audits) to evaluate the effectiveness and improvements to internal control environment;
- Review of the mid-term Departmental Performance Information;
- Review of Interim and Annual Financial Statements;
- Information and Communication Technology Audits;
- Supply Chain Management;
- DORA and Transfer Payments;
- Public Participation (OVS); and
- Performance Audit on Supply Chain Management.

**Consulting services**

- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, Risk Management Committee meetings, provision of advice, as and when invited and required.

**11.2 Audit Committee**

Similarly to the Internal Audit function, the Department utilizes the services of the shared Audit Committee based within the Office of the Premier. The shared Audit Committee was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

The shared Audit Committee serves as an independent governance structure whose primary function being to provide an oversight over the department’s financial reporting, risk management, control and governance processes. The shared Audit Committee assists the Accounting Officer in the effective execution of his/her responsibilities.

The shared Audit Committee is constituted to ensure its independence and comprises of external non-official members (appointed from outside public service). It operates in terms of formally documented and approved Terms of Reference referred to as the Audit Committee Charter, which deals with matters such as its membership, authority and responsibilities amongst others. The said Terms of Reference are reviewed annually, and in accordance with the requirements set by the PFMA and Treasury Regulations. Further, it has direct and unobstructed lines of communication to the Accounting Officer, Senior Management, the Provincial Treasury, shared Internal Audit function and Auditor-General of South Africa.

**Attendance of audit committee meetings by audit committee members**

In accordance with Legislation, section 77(b) of the PFMA, an Audit Committee must meet at least twice a year. However, as per the approved Audit Committee Terms of Reference (Audit Committee Charter), the shared Audit Committee shall meet at least 4 times a year, with authority to convene additional meetings as may be deemed necessary.

In the meetings held, the Accounting Officer and Executive Management were always represented. The AGSA is always invited to attend the meetings of the shared Audit Committee, thus ensuring that such meetings are as effective and transparent as possible.

**The shared Audit Committee meetings held were attended as follows:**

Name	Qualifications	Internal or External	Date appointed	Date Resigned / End of term	No of meetings attended
Mr. MS Mthembu <b>Chairperson</b>	Diploma in Accounting and Business Studies BCom (Accounting) Master Business Leadership Cert. Business Advisory FAP (IAC) SA, GIA (IIA) SA, LIB (IOB) SA	External	01 April 2018	N/A	08
Mr. C Motau	B Comm (VISTA) Higher Diploma in Computer Auditing(WITS) Certificate in Executive Leadership(Regenesys Business School) Certificate in Human Resources Management ((Regenesys Business School) Masters Degree in Business Leadership ( UNISA) Masters Degree in Information Technnology(UP) Doctorate in Business Information Systems ( TUT)	External	01 June 2019	N/A	06

Name	Qualifications	Internal or External	Date appointed	Date Resigned / End of term	No of meetings attended
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme Project Management (UNISA)	External	01 April 2018	N/A	08
Ms. L Mbatha	BCompt. Honors Accounting (UNISA) BComm. Accounting Degree (UNISA0)	External	01 April 2018	N/A	05
Ms. BN Mzuzu	B. Proc Degree (University of Fort Hare) Cert. Business Rescue Cert. Attorney of High Court of South Africa Cert. Attendance in conveyancing practice	External	01 April 2018	N/A	05

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our final report for the financial year ended 31 March 2020.

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed the changes in accounting policies as these changes are as per the National Treasury instruction.

### The effectiveness of internal control

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

### ***The work performed by Internal Audit throughout the year was monitored and reviewed by the Audit Committee.***

Through our analysis of audit reports from internal audit, Auditor-General South Africa and engagements with the Departments, it can be reported that the system on internal control for the period under review was adequate and effective.

Based on our interaction with the department we conclude that the department does have an adequate and effective action plan management system to address internal audit and Auditor-General South Africa findings.

### Risk Management

The Audit Committee is responsible for the oversight of risk management. The Risk Management Committee reports to the Audit Committee on a quarterly basis on the governance and management of risk.

Based on the Audit Committee quarterly reviews of the reports from the Risk Management Committee, it can be concluded that the Departmental processes and system relating to fraud prevention and risk management is adequate and effective.

### In-Year Management and Quarterly Reporting

The Department has confirmed that they have reported to the Treasury as is required by the PFMA.

### Evaluation of the Annual Financial Statements

The Audit Committee has reviewed the draft annual financial statements prepared by the Department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor-General South Africa.

Subsequently the management report of the Auditor-General South Africa was discussed with the Audit Committee.

### Evaluation of the reporting on predetermined objectives

The Audit Committee has reviewed the draft annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to submission of the annual report to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the Auditor General South Africa and the Accounting Officer.

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

Throughout the year under review the Audit Committee is satisfied with the status of compliance with all applicable legislation which is a confirmation that the Department does have an adequate and effective compliance framework and system.

### **Internal Audit**

The Audit Committee is reasonably satisfied that the Internal Audit function operated effectively and that it has addressed the risks pertinent to the department in its audits during the year under review.

The Audit Committee has regularly enquired and reviewed the work performed by Internal Audit function and has seen an improvement in the quality of the internal audit reports; the actions initiated by the Internal Audit Function to bring the reported weaknesses to the attention of Senior Management and the process of ensuring action to address such deficiencies. However, there is still room for improvement in areas such as flexibility of the planning process to adapt to emerging risks and changing risk profile of the Department; the timing and execution of internal audit engagements; influence and persuasion by Internal Audit of Management to effect the necessary changes and improvement of the maturity of governance, risk management and internal control systems.

The Audit Committee noted with concerns that the Internal Audit function remains under-resourced and the vacant position of the Chief Audit Executive since November 2017.

The Audit Committee further appreciates the support provided by the Internal Audit Officials, in assisting the Committee in discharging its responsibilities.

### **Auditor-General South Africa**

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

The Audit Committee is not aware of any unresolved issues with respect to the current audit.

The Audit Committee concurs, accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General South Africa.

### **Conclusion**

The Audit Committee strongly recommends that the Department must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits to sustain clean administration. The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:

**Chairperson of the Audit Committee**



.....  
**Mr. MS Mthembu**

**Date: 31 August 2020**

**PART D:  
HUMAN RESOURCE MANAGEMENT**

## HUMAN RESOURCES MANAGEMENT

### 1. Introduction

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all Departments in the public service.

### 2. The overview of human resources in the Department (status)

The Department currently employs 779 employees who are based at head office and in the three districts of the Province. Of the 779 employees, 26 are senior Traditional Leaders/ Izinduna which are accounted for as employees due to the nature of their appointment. These employees are an integral resource of the Department. The Department reviewed its organisational structure however the process is not yet finalised due to the rationalisation process that has been introduced by the Executive Council that needs to be completed before the organisational structure is approved for implementation. Currently the structure as approved in 2012 is being utilised. The Department has critical vacant posts at management level that could not be filled as a result of the moratorium. There are thirteen (13) vacant SMS posts wherein ten (10) Deputy Directors, (2) Directors and 1 (one) Chief Director are acting in higher positions. A request to fill the critical and scarce skills position was submitted to the Budget and Finance Committee for approval, upon approval the Department will advertise and fill these posts.

#### 2.1 Human Resources priorities for the year under review and the impact of these.

- Request to fill in scarce and critical vacant positions.  
The Department could not fill these posts due to moratorium in the Province. However, there are Deputy Directors, Directors and a Chief Director acting as Directors, Chief Directors and Head of Department to achieve the mandate of the Department.
- Review of the organisational structure.  
The Department reviewed its organisational structure however, the process is not yet finalised, as engagements which involves the Office of the Premier, are ongoing.
- Strengthen the implementation of the PMDS processes.  
Provided training on the PMDS policy and dealt with non-compliance. In the financial year under review the Department has significantly improved on the implementation of PMDS.
- Build strategic leadership capabilities.  
The Department has a training programme with accredited skills programmes. (14) Senior and Middle Managers were trained on Executive Development Programme (EDP), and the (5) attended the Project Khaedu as well as members of the Annual Report Review Committee trained on Annual Financial Statements.
- Promotion of sound labour relations.  
Sessions on the Code of Conduct were conducted by Labour Relations to minimise misconduct in the Department. There are still challenges on meeting the prescribed timeframes due to non-cooperation and staffing challenges.
- Monitor the implementation of employee health and wellness.  
The Department has developed a plan to manage Employee Health and Wellness. Some of the proactive programmes, which were implemented in the Department, include Health screening, Stress Management, Aerobics and Financial Wellness.
- Improve on records management.  
Awareness sessions on the file plan were conducted to promote and ensure the correct use of the file plan and encourage proper records keeping. Files were transferred to the following municipalities: Thaba Chweu, Albert Luthuli, Mkhondo, Pixley ka Isaka Seme, Lekwa, Nkomazi and Mbombela. This contributed to the achievement of clean audit outcomes.

#### 2.2 Workforce Planning Framework and key strategies to attract and recruit a skilled and capable workforce.

The Annual Adjusted Human Resource Plan for (2019-20) indicated the required competencies at the relevant performance levels as well as the capacity in terms of posts that the Department requires. Most of the competencies that the Department requires are scarce and difficult to attract and retain.

In order to attract these employees the Department submits to the Department of Education a list of scarce skills learning areas where bursaries are offered to matriculants with an intention of giving work opportunities as soon as they complete their tertiary studies within the identified scarce fields. During the third quarter, the Department appointed 09 Interns and 02 Work Integrated Learners (WIL) and hosted 18 Student Interns who were sourced by the Services SETA (GNS) and placed in various Directorates.

The Department has developed a training programme and one of the highlights during the mid-term is the implementation of mandatory programmes for senior managers and acting Directors on the Executive Development Programme. This is one way of ensuring that a critical mass of expert employees is available for succession planning. These managers are equipped with the necessary capabilities to assume leadership positions at SMS Level within the Department. Project Khaedu it's an action learning programme to empower managers, through various processes of learning reinforcement and practice, to bring about change within their own area of operational control was implemented during the third and the fourth quarter.

#### 2.3 Employee Performance Management

Training was provided on the PMDS policy and non-compliance dealt with as per the policy.

## 2.4 Employee Health Wellness Programmes

The Department applies a holistic approach to the health and well-being of employees. EHWP focuses on health but also on personal matters that may have negative impact on the wellbeing of the employee. The Employee Assistance Programmes were implemented as referred by relevant officials and the necessary interventions were conducted as prescribed.

The Department has assigned the relevant official to deal with Occupational Health and Safety matters as per the Occupational Health and Safety Act.

Proactive programmes were implemented as per the DPSA Employee Health and Wellness Strategic Framework for the Public Service. Cases were referred to relevant institutions and follow up sessions are done by the Employee Health and Wellness Sub-Directorate.

## 2.5 Highlight achievements

- Exit interviews and staff turnover analysis presented to Senior Management.
- Monitored the signing of attendance registers, conducted leave audits and presented findings to Senior Management.
- Appointed 09 Interns on Internship programme and 02 Work Intergrated Learners (WIL).
- Hosted 18 Student Interns who were sourced from Services SETA (GNS) and placed in various Directorates.
- Human Resource Plan has been reviewed, approved and submitted to DPSA.
- Skills Development Plan compiled and approved.
- Reviewed the Employee Health and Wellness Policies,, The two Frameworks for Gender Equality, Job Access and persons with disabilities were approved and submitted to DPSA.
- Secretaries and frontline staff were trained on Excellent Customer Care for Frontline Staff.

## 2.6 Challenges faced by the Department

- Inadequate competencies and expertise to provide the required support to municipalities.
- Inadequate compliance on performance management by employees and managers.
- Meeting the Employment Equity Targets.
- Inability to fill critical vacancies due to the moratorium.

## 2.7 Future HR Plans

The Department has set the following HR Goals for the next five years as per its Human Resource Plan:

- Training of Senior and Middle Managers on Executive Development Programme (EDP) and Project KHAEDU
- Skills matching and proper placement of staff.
- Strengthen compliance on HR Policies.
- Improving records management.
- Training of CDWs on Project Management.

## 3. HUMAN RESOURCES OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

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

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

*Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 to 31 March 2020*

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)	Employment (Including Periodical - And Abnormal Appointments)
Administration	144 039	83 316	1 977	184	14%	548	152
Local Governance	209 776	181 230	644	22 958	30%	375	483
Development And Planning	84 025	37 947	0	3 269	6%	253	150
Traditional Institutional Management	146 307	91 887	0	0	15%	175	524
The House of Traditional Leaders	21 318	14 751	0	0	2%	641	23
<b>Total as on Financial Systems (BAS)</b>	<b>605 465</b>	<b>409 131</b>	<b>2 621</b>	<b>26 411</b>	<b>68%</b>	<b>307</b>	<b>1 332</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020**

Salary Band	Personnel Expenditure including Transfers (R'000)	% of Total Personnel Cost	Average Personnel Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)	Number of Employees
02 Skilled (Levels 3-5)	15 113	4%	265	15 762	57
03 Highly skilled production (Levels 6-8)	190 040	46%	355	198 200	535
04 Highly skilled supervision (Levels 9-12)	110 899	27%	770	115 661	144
05 Senior management (Levels >= 13)	23 621	6%	1 389	24 635	17
10 Contract (Levels 1-2)	90	0%	90	94	1
11 Contract (Levels 3-5)	918	0%	230	957	4
12 Contract (Levels 6-8)	649	0%	325	677	2
13 Contract (Levels 9-12)	3 401	1%	680	3 547	5
14 Contract (Levels >= 13)	3 353	1%	1 677	3 497	2
18 Contract Other	576	0%	38	601	15
20 Abnormal Appointment	60 471	15%	110	63 067	550
<b>TOTAL</b>	<b>409 131</b>	<b>100%</b>	<b>307</b>	<b>426 698</b>	<b>1 332</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the Period 1 April 2019 to 31 March 2020**

Programme	Salaries (R'000)	Salaries as a % of Personnel Costs	Overtime (R'000)	Overtime as a % of Personnel Costs	HOA (R'000)	HOA as a % of Personnel Costs	Medical Aid (R'000)	Medical Aid as a % of Personnel Costs	Total Personnel Cost per Programme (R'000)
Administration	77 023	19%	514	0%	1 981	0%	3 798	1%	83 316
Local Governance	159 937	39%	0	0%	7 728	2%	13 565	3%	181 230
Development And Planning	36 123	9%	0	0%	607	0%	1 217	0%	37 947
Traditional Institutional Management	89 448	22%	133	0%	715	0%	1 591	0%	91 887
The House of Traditional Leaders	13 968	3%	14	0%	274	0%	495	0%	14 751
<b>TOTAL</b>	<b>376 499</b>	<b>92%</b>	<b>661</b>	<b>0%</b>	<b>11 305</b>	<b>3%</b>	<b>20 666</b>	<b>5%</b>	<b>409 131</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 to 31 March 2020**

Salary Band	Salaries (R'000)	Salaries as a % of Personnel Costs	Overtime (R'000)	Overtime as a % of Personnel Costs	HOA (R'000)	HOA as a % of Personnel Costs	Medical Aid (R'000)	Medical Aid as a % of Personnel Costs	Total Personnel Cost per Salary Band (R'000)
02 Skilled (Levels 3-5)	15 109	23%	39	0%	966	0%	1 768	0%	17 882
03 Highly skilled production (Levels 6-8)	177 178	43%	205	0%	8 285	2%	14 831	4%	200 499
04 Highly skilled supervision (Levels 9-12)	94 706	23%	292	0%	1 642	0%	3 788	1%	100 428
05 Senior management (Levels >= 13)	21 043	5%	0	0%	356	0%	260	0%	21 659
10 Contract (Levels 1-2)	68	0%	0	0%	0	0%	12	0%	80
11 Contract (Levels 3-5)	795	0%	0	0%	0	0%	13	0%	808
12 Contract (Levels 6-8)	558	0%	0	0%	0	0%	26	0%	584
13 Contract (Levels 9-12)	3 074	1%	0	0%	8	0%	0	0%	3 082
14 Contract (Levels >= 13)	2 941	1%	0	0%	50	0%	91	0%	3 082
18 Contract Other	576	0%	0	0%	0	0%	0	0%	576
20 Abnormal Appointment	60 451	15%	0	0%	0	0%	0	0%	60 451
<b>TOTAL</b>	<b>376 499</b>	<b>92%</b>	<b>536</b>	<b>0%</b>	<b>11 307</b>	<b>3%</b>	<b>20 789</b>	<b>5%</b>	<b>409 131</b>

### 3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

- programme
- salary band
- Critical occupations (see definition in notes below).

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

*Table 3.2.1 Employment and vacancies by programmes on 1 April 2019 to 31 March 2020*

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
Administration	164	154	6.1	1
Development & Planning	57	54	5.3	0
Local Governance	487	482	1	0
The House Of Trad Leaders	24	23	4.2	0
Traditional Institution Management	70	66	5.7	0
<b>TOTAL</b>	<b>802</b>	<b>779</b>	<b>2.9</b>	<b>1</b>

*Table 3.2.2 Employment and vacancies by salary band as on 1 April 2019 to 31 March 2020*

Salary Band	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
02 Skilled (Levels 3-5), Permanent	57	57	0	0
03 Highly Skilled Production (Levels 6-8), Permanent	537	532	0.9	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	149	144	3.4	1
05 Senior Management (Levels >= 13), Permanent	30	17	43.3	0
09 Other, Permanent	15	15	0	0
10 Contract (Levels 1-2), Permanent	1	1	0	0
11 Contract (Levels 3-5), Permanent	4	4	0	0
12 Contract (Levels 6-8), Permanent	2	2	0	0
13 Contract (Levels 9-12), Permanent	5	5	0	0
14 Contract (Levels >= 13), Permanent	2	2	0	0
<b>TOTAL</b>	<b>802</b>	<b>779</b>	<b>2.9</b>	<b>1</b>

*Table 3.2.3 Employment and vacancies by critical occupations as on 1 April 2019 to 31 March 2020*

Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
Administrative Related, Permanent	151	146	3.3	0
Agriculture Related, Permanent	3	3	0	0
Architects Town And Traffic Planners, Permanent	5	5	0	0
Cartographic Surveying And Related Technicians, Permanent	2	2	0	0
Cleaners In Offices Workshops Hospitals Etc., Permanent	14	14	0	0
Communication And Information Related, Permanent	2	2	0	0
Engineering Sciences Related, Permanent	1	1	0	0
Finance And Economics Related, Permanent	7	7	0	0
Financial And Related Professionals, Permanent	10	9	10	0
Financial Clerks And Credit Controllers, Permanent	13	12	7.7	0
Food Services Aids And Waiters, Permanent	1	1	0	0
General Legal Administration & Rel. Professionals, Permanent	2	2	0	0
Head Of Department/Chief Executive Officer, Permanent	1	0	100	0
Human Resources & Organisat Developm & Relate Prof, Permanent	1	0	100	0
Human Resources Clerks, Permanent	1	1	0	0
Human Resources Related, Permanent	21	20	4.8	0
Information Technology Related, Permanent	6	6	0	0
Library Mail And Related Clerks, Permanent	4	4	0	0
Messengers Porters And Deliverers, Permanent	5	5	0	0
Motor Vehicle Drivers, Permanent	1	1	0	0
Other Administrat & Related Clerks And Organisers, Permanent	454	448	1.3	1
Other Administrative Policy And Related Officers, Permanent	21	20	4.8	0
Other Occupations, Permanent	30	29	3.3	0
Quantity Surveyors & Rela Prof Not Class Elsewhere, Permanent	1	1	0	0
Risk Management And Security Services, Permanent	1	0	100	0
Secretaries & Other Keyboard Operating Clerks, Permanent	24	24	0	0
Senior Managers, Permanent	20	16	20	0
<b>TOTAL</b>	<b>802</b>	<b>779</b>	<b>2.9</b>	<b>1</b>

### 3.3 Filling of SMS Posts

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

*Table 3.3.1 SMS post information as on 1 April 2019 to 31 March 2020*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 (MEC/ DG)	1	1	100%	0	0
Salary Level 15 (HOD)	1	0	0	1	100%
Salary Level 14	6	4	66.7%	2	33%
Salary Level 13	25	14	56%	11	44%
<b>Total</b>	<b>33</b>	<b>19</b>	<b>60.6%</b>	<b>13</b>	<b>39.39%</b>

*Table 3.3.2 Advertising and filling of SMS posts for the period 1 April 2019 to 31 March 2020*

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 (MEC)	0	0	0	0	0
Salary Level 15 (HOD)	0	0	0	0	0
Salary Level 14	0	0	0	0	0
Salary Level 13	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 3.3.3 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 to 31 March 2020*

Reasons for vacancies not advertised within six months
Cabinet resolution against the filling of vacant positions

Reasons for vacancies not filled within six months
Cabinet resolution against the filling of vacant positions

#### Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

*Table 3.3.4 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2019 to 31 March 2020*

Reasons for vacancies not advertised within six months
Cabinet resolution against the filling of vacant positions

Reasons for vacancies not filled within six months
Cabinet resolution against the filling of vacant positions

#### Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16 A(1) or (2) of the Public Service Act.

### 3.4. Job Evaluation

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

*Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2019 to 31 March 2020*

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5), Permanent	57	-	-	-	-	-	0%
Highly Skilled Production (Levels 6-8), Permanent	537	-	-	-	-	-	0%
Highly Skilled Supervision (Levels 9-12), Permanent	149	-	-	-	-	-	0%
Senior Management (Levels >= 13), Permanent	30	-	-	-	-	-	0%
Other, Permanent	15	-	-	-	-	-	0%
Contract (Levels 1-2), Permanent	1	-	-	-	-	-	0%
Contract (Levels 3-5), Permanent	4	-	-	-	-	-	0%
Contract (Levels 6-8), Permanent	2	-	-	-	-	-	0%
Contract (Levels 9-12), Permanent	5	-	-	-	-	-	0%
Contract (Levels >= 13), Permanent	2	-	-	-	-	-	0%
<b>TOTAL</b>	<b>802</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

*Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 to 31 March 2020*

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

*Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 to 31 March 2020*

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>0</b>
<b>Percentage of total employed</b>				<b>0</b>

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

*Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 to 31 March 2020*

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	0
Male	-	-	-	-	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Employees with a disability	-	-	-	-	0
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#### Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 3.5 Employment Changes

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

*Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 to 31 March 2020*

Salary band	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turn-over rate
02 Skilled (Levels 3-5) Permanent	59	0	2	3.4
03 Highly Skilled Production (Levels 6-8) Permanent	553	0	15	2.7
04 Highly Skilled Supervision (Levels 9-12) Permanent	151	0	5	3.3
05 Senior Management Service Band A Permanent	21	0	0	0
06 Senior Management Service Band B Permanent	5	0	1	20
08 Senior Management Service Band D Permanent	1	1	1	100
09 Other Permanent	5	14	4	80
11 Contract (Levels 3-5) Permanent	5	4	4	80
12 Contract (Levels 6-8) Permanent	2	3	3	150
13 Contract (Levels 9-12) Permanent	2	6	3	150
14 Contract Band A Permanent ( level 13)	1	3	2	200
16 Contract Band C Permanent ( level 13)	1	0	1	100
<b>TOTAL</b>	<b>806</b>	<b>31</b>	<b>41</b>	<b>5.1</b>

*Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 to 31 March 2020*

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related permanent	143	19	17	11.9
Agriculture related permanent	3	0	0	0
Architects Town and Traffic Planners permanent	5	0	0	0
Cartographic Surveying and related Technicians permanent	2	0	0	0
Cleaners in offices workshops hospitals etc. permanent	16	0	2	12.5
Communication and Information related permanent	2	0	0	0
Engineering Sciences related permanent	1	0	0	0
Engineers and related Professionals permanent	1	0	1	100
Finance and Economics related permanent	7	0	0	0
Financial and related professionals permanent	11	0	0	0
Financial Clerks and Credit Controllers permanent	11	2	0	0
General Legal Administration & rel. professionals permanent	2	0	0	0
Head of Department/Chief Executive Officer permanent	1	0	1	100
Human Resources Clerks permanent	1	0	0	0
Human Resources related permanent	22	0	0	0
Information Technology related permanent	6	0	0	0
Library mail and related Clerks permanent	4	0	0	0
Messengers Porters and Deliverers permanent	4	1	1	25
Motor Vehicle Drivers permanent	1	0	0	0
Other Administrative & related Clerks and Organisers permanent	466	5	14	3
Other Administrative policy and related Officers permanent	23	0	0	0
Other occupations permanent	31	1	2	6.5
Quantity Surveyors & rela prof not class elsewhere permanent	1	0	0	0
Secretaries & other Keyboard Operating Clerks permanent	24	0	0	0
Senior Managers permanent	18	3	3	16.7
<b>TOTAL</b>	<b>806</b>	<b>31</b>	<b>41</b>	<b>5.1</b>

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

*Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 to 31 March 2020*

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	5	12.2	0.6	41	779
Resignation, Permanent	8	19.5	1	41	779
Expiry of contract, Permanent	16	39	2.1	41	779
Dismissal-misconduct, Permanent	1	2.4	0.1	41	779
Retirement, Permanent	11	26.8	1.4	41	779
<b>TOTAL</b>	<b>41</b>	<b>100</b>	<b>5.3</b>	<b>41</b>	<b>779</b>

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 to 31 March 2020

Occupation	Employment at Beginning of April 2019	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	143	0	0	101	70.6
agriculture related	3	0	0	3	100
architects town and Traffic Planners	5	0	0	4	80
Cartographic Surveying and related Technicians	2	0	0	0	0
Cleaners in offices workshops hospitals etc.	16	0	0	11	68.8
Communication and Information related	2	0	0	1	50
Engineering Sciences related	1	0	0	0	0
Engineers and related Professionals	1	0	0	0	0
Finance and Economics related	7	0	0	6	85.7
Financial and related Professionals	11	0	0	10	90.9
Financial Clerks and Credit Controllers	11	0	0	10	90.9
General Legal Administration & rel. professionals	2	0	0	2	100
Head of Department/Chief Executive Officer	1	0	0	0	0
Human Resources Clerks	1	0	0	1	100
Human Resources related	22	0	0	18	81.8
Information Technology related	6	0	0	5	83.3
Library mail and related Clerks	4	0	0	4	100
Messengers Porters and Deliverers	4	0	0	2	50
Motor vehicle Drivers	1	0	0	0	0
other Administrat & related Clerks and Organisers	466	1	0.2	362	77.7
Other Administrative policy and related Officers	23	0	0	15	65.2
Other occupations	31	0	0	3	9.7
Quantity Surveyors & rela prof not class elsewhere	1	0	0	0	0
Secretaries & other Keyboard Operating Clerks	24	0	0	21	87.5
Senior Managers	18	0	0	12	66.7
<b>TOTAL</b>	<b>806</b>	<b>1</b>	<b>0.1</b>	<b>591</b>	<b>73.3</b>

Table 3.5.5 Promotions by salary band for the period 1 April 2019 to 31 March 2020

Salary Band	Employment at Beginning of April 2019	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5), Permanent	59	0	0	49	83.1
Highly Skilled Production (Levels 6-8), Permanent	553	0	0	411	74.3
Highly Skilled Supervision (Levels 9-12), Permanent	151	1	0.7	117	77.5
Senior Management (Levels >= 13), Permanent	28	0	0	14	50
Other, Permanent	5	0	0	0	0
Contract (Levels 3-5), Permanent	4	0	0	0	0
Contract (Levels 6-8), Permanent	2	0	0	0	0
Contract (Levels 9-12), Permanent	2	0	0	0	0
Contract (Levels >= 13), Permanent	2	0	0	0	0
<b>TOTAL</b>	<b>806</b>	<b>1</b>	<b>0.1</b>	<b>591</b>	<b>73.3</b>

### 3.6 Employment Equity

*Table 3.6.1 Total number of employees (including employees with disabilities) in each of the Following occupational categories as on 1 April 2019 to 31 March 2020*

Occupational Categories	Male African	Male, Coloured	Male Indian	Male White	Female African	Female, Coloured	Female, Indian	Female, White	Total
SENIOR OFFICIALS AND MANAGERS	14	0	0	0	4	0	0	1	19
PROFESSIONALS	26	1	0	2	26	0	0	1	56
TECHNICIANS AND ASSOCIATE PROFESSIONALS	78	1	0	2	86	0	0	1	168
CLERKS	222	1	1	0	265	0	0	1	490
PLANT AND MACHINE OPERATORS AND ASSEMBLERS	1	0	0	0	0	0	0	0	1
LABOURERS AND RELATED WORKERS	28	0	0	0	20	0	0	0	48
<b>TOTAL</b>	<b>366</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>401</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>779</b>
<b>Total number of employees (incl. Employees with disabilities) per Occupational Category (SASCO)</b>									
<b>Employees with disabilities</b>	7	0	0	7	0	2	0	0	9

*Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 1 April 2019 to 31 March 2020*

Occupational Bands	Male African	Male Coloured	Male Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
01 Top Management, Permanent	0	0	0	0	0	0	0	0	0
02 Senior Management, Permanent	11	0	0	0	4	0	0	1	16
03 Professional qualified and experienced specialists and mid-management, Permanent	79	1	0	4	58	0	0	2	144
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	247	2	1	0	283	0	0	0	533
05 Semi-skilled and discretionary decision making, Permanent	15	0	0	0	41	0	0	1	57
07 Not Available, Permanent	6	0	0	0	9	0	0	0	15
09 Contract (Senior Management), Permanent	2	0	0	0	0	0	0	0	2
10 Contract (Professionally Qualified), Permanent	2	0	0	0	3	0	0	0	5
11 Contract (Skilled Technical), Permanent	1	0	0	0	1	0	0	0	2
12 Contract (Semi-Skilled), Permanent	3	0	0	0	1	0	0	0	4
13 Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
<b>TOTAL</b>	<b>366</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>401</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>779</b>

*Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	0	0	0	0	0	1
07 Not Available, Permanent	6	0	0	0	8	0	0	0	14
09 Contract (Senior Management), Permanent	2	0	0	0	1	0	0	0	3
10 Contract (Professionally qualified), Permanent	2	0	0	0	4	0	0	0	6
11 Contract (Skilled technical), Permanent	1	0	0	0	2	0	0	0	3
12 Contract (Semi-skilled), Permanent	1	0	0	0	3	0	0	0	4
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>

*Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020 (pay progression)*

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	9	0	0	0	5	0	0	1	15
Professionally qualified and experienced specialists and mid-management, Permanent	64	1	0	3	48	0	0	2	118
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	176	1	1	0	233	0	0	0	411
Semi-skilled and discretionary decision making, Permanent	13	0	0	0	36	0	0	0	49
<b>TOTAL</b>	<b>262</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>322</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>593</b>
<b>Employees with disabilities</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1	0	0	0	0	0	0	0	1
02 Senior Management, Permanent	0	0	0	0	1	0	0	0	1
03 Professionally qualified and experienced specialists and mid-management, Permanent	3	0	0	0	1	0	0	0	4
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	10	0	0	0	6	0	0	0	16
05 Semi-skilled and discretionary decision making, Permanent	0	0	0	0	2	0	0	0	2
07 Not Available, Permanent	2	0	0	0	2	0	0	0	4
08 Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
09 Contract (Senior Management), Permanent	0	0	0	0	2	0	0	0	2
10 Contract (Professionally qualified), Permanent	1	0	0	0	2	0	0	0	3
11 Contract (Skilled technical), Permanent	1	0	0	0	2	0	0	0	3
12 Contract (Semi-skilled), Permanent	2	0	0	0	2	0	0	0	4
<b>TOTAL</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41</b>

Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Final written warning	1	0	0	0	1	0	0	0	2
Written warning	4	0	0	0	1	0	0	0	5
Abscondment	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>

Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	0	0	3	0	0	1	13
Professionals	12	0	0	0	11	0	0	1	24
Technicians and associate professionals	13	0	0	0	9	0	0	0	22
Clerks	43	0	0	0	80	0	0	0	123
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>183</b>
<b>Employees with disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 1 April 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 15 (HOD)	1	1	1	100%
Salary Level 14	6	5	5	100%
Salary Level 13	25	14	14	100%
<b>TOTAL</b>	<b>32</b>	<b>20</b>	<b>20</b>	<b>100%</b>

#### Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July.

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2019**

Reasons
None

**Notes**

□ The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2019**

Reasons
None

**Notes**

□ The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

**3.8 Performance Rewards**

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

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020**

Race and Gender	Number of Beneficiaries	Number of Employees	% of Total within Group	Total Cost (R'000)	Average Cost per Employee (R)
African, Female	202	401	50%	3 136	15 524
African, Male	153	360	43%	3 137	20 503
Asian, Female	0	0	0%	0	0
Asian, Male	0	1	0%	0	0
Coloured, Female	0	0	0%	0	0
Coloured, Male	1	3	33%	18	17 652
<b>Total Blacks, Female</b>	<b>202</b>	<b>401</b>	<b>50%</b>	<b>3 136</b>	<b>15 524</b>
<b>Total Blacks, Male</b>	<b>154</b>	<b>364</b>	<b>42%</b>	<b>3 155</b>	<b>20 484</b>
White, Female	4	4	100%	131	32 785
White, Male	2	4	50%	97	48 589
Employees with a disability	3	9	33%	33	11 027
<b>TOTAL</b>	<b>365</b>	<b>782</b>	<b>47%</b>	<b>6 552</b>	<b>17 950</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020**

Salary Band	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost (R'000)	Average Cost per Employee (R)
02 Skilled (Levels 3-5)	52	57	91%	409	7 869
03 Highly Skilled Production (Levels 6-8)	190	535	36%	2 248	11 831
04 Highly Skilled Supervision (Levels 9-12)	107	144	74%	3 002	28 055
09 Other	0	15	0%	0	0
10 Contract (Levels 1-2)	0	1	0%	0	0
11 Contract (Levels 3-5)	0	4	0%	0	0
12 Contract (Levels 6-8)	0	2	0%	0	0
13 Contract (Levels 9-12)	0	5	0%	0	0
<b>TOTAL</b>	<b>349</b>	<b>763</b>	<b>46%</b>	<b>5 659</b>	<b>16 215</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020**

Critical Occupation	Number of Beneficiaries	Number Of Employees	% Of Total Within Occupation	Total Cost (R'000)	Average Cost Per Employee (R)
FINANCIAL CLERKS AND CREDIT CONTROLLERS	8	12	67%	139	17 349
HUMAN RESOURCES CLERKS	1	1	100%	9	8 826
MESSENGERS PORTERS AND DELIVERERS	2	5	40%	16	7 904
FINANCE AND ECONOMICS RELATED	4	7	57%	132	33 002
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	143	451	32%	1 577	11 031
OTHER OCCUPATIONS	2	29	7%	28	14 077
FINANCIAL AND RELATED PROFESSIONALS	10	9	111%	247	24 706
ARCHITECTS TOWN AND TRAFFIC PLANNERS	5	5	100%	208	41 537
ADMINISTRATIVE RELATED	95	146	65%	2 235	23 528
COMMUNICATION AND INFORMATION RELATED	2	2	100%	42	21 167
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	21	24	88%	180	8 594
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	14	14	100%	86	6 168
LIBRARY MAIL AND RELATED CLERKS	2	4	50%	18	9 154
HUMAN RESOURCES RELATED	17	20	85%	416	24 466
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2	2	100%	73	36 577
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	1	2	50%	15	15 081
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	12	20	60%	172	14 360
SENIOR MANAGERS	14	16	88%	782	55 865
ENGINEERING SCIENCES RELATED	0	1	0%	0	0
MOTOR VEHICLE DRIVERS	1	1	100%	10	9 633
FOOD SERVICES AIDERS AND WAITERS	0	1	0%	0	0
QUANTITY SURVEYORS & REL. PROF NOT CLASS ELSEWHERE	1	1	100%	26	25 760
INFORMATION TECHNOLOGY RELATED	4	6	67%	75	18 632
AGRICULTURE RELATED	3	3	100%	23	7 602
<b>TOTAL</b>	<b>365</b>	<b>782</b>	<b>47%</b>	<b>6 552</b>	<b>17 950</b>

**Notes**

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020**

Salary Band	Number of Beneficiaries	Number Of Employees	% Of Total Within Salary Band	Total Cost (R'000)	Average Cost Per Employee (R)	Total Cost As A % Of The Total Personnel Expenditure	Personnel Cost SMS (R'000)
Band A	11	14	79%	580	52 759	3.1	18 465
Band B	5	4	125%	313	62 514	4.2	7 480
Band C	0	0	0%	0	0	0	1 907
Band D	0	1	0%	0	0	0	2 015
<b>TOTAL</b>	<b>16</b>	<b>19</b>	<b>84%</b>	<b>893</b>	<b>55 807</b>	<b>3</b>	<b>29 868</b>

### 3.9 Foreign Workers

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

Table 3.9.1 foreign workers by salary band for the period 1 April 2019 to 31 March 2020

Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
0	0%	0	0%	0	0%	1	0	-1
1	100%	0	0%	-1	0%	1	0	-1
<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>-1</b>	<b>0%</b>	<b>1</b>	<b>0</b>	<b>-1</b>

Table 3.9.2 foreign workers by major occupation for the period 1 April 2019 to 31 March 2020

Major Occupation	Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations	1	100%	0	0%	-1	0%	1	0	-1
Professionals and managers	0	0%	0	0%	0	0%	1	0	-1
<b>TOTAL</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>-1</b>	<b>0%</b>	<b>1</b>	<b>0</b>	<b>-1</b>

### 3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2019 and 31 December 2019

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 3-5)	9	89%	2	1%	5	8	289	8
Contract (Levels 6-8)	10	100%	1	0%	10	13	289	10
Contract (Levels 9-12)	3	100%	1	0%	3	10	289	3
Contract Other	11	45%	4	1%	3	4	289	5
Highly skilled production (Levels 6-8)	1 408	95%	149	52%	9	1 911	289	1 333
Highly skilled supervision (Levels 9-12)	646	82%	90	31%	7	1 828	289	531
Senior management (Levels 13-16)	21	71%	7	2%	3	90	289	15
Skilled (Levels 3-5)	373	92%	35	12%	11	331	289	343
<b>TOTAL</b>	<b>2 481</b>	<b>91%</b>	<b>289</b>	<b>100%</b>	<b>9</b>	<b>4 195</b>	<b>289</b>	<b>2 248</b>

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 and 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Table 3.10.3 Annual Leave for the period 1 January 2019 and 31 December 2019

Salary Band	Total Days Taken	Average per Employee	Number of Employees using Annual Leave
Contract (Levels 13-16)	3	3	1
Contract (Levels 3-5)	33	11	3
Contract (Levels 6-8)	19	10	2
Contract (Levels 9-12)	18	18	1
Contract Other	89	18	5
Highly skilled production (Levels 6-8)	10 342	21	488
Highly skilled supervision (Levels 9-12)	3 288	24	138
Senior management (Levels 13-16)	389	23	17
Skilled (Levels 3-5)	1 349	24	56
<b>TOTAL</b>	<b>15 530</b>	<b>22</b>	<b>711</b>

Table 3.10.4 Capped leave for the period 1 January 2019 and 31 December 2019

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave	Total Number of Capped Leave Available at End of Period	Number of Employees as at End of Period
Contract (Levels 1-2)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	27	0	27	1
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract Other	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	1	1	86	1	3 027	35
Highly skilled supervision (Levels 9-12)	17	3	69	5	3 955	57
Senior management (Levels 13-16)	1	1	40	1	358	9
Skilled (Levels 3-5)	0	0	52	0	839	16
<b>TOTAL</b>	<b>19</b>	<b>3</b>	<b>70</b>	<b>7</b>	<b>8 207</b>	<b>118</b>

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

Table 3.10.5 Leave pay-outs for the period 1 January 2019 and 31 December 2019

Reason	Total Estimated Amount (R'000)	Number of Employees	Estimated Average per Employee (R)
Annual - Discounting With Resignation (Work Days)	362	7	51 714
Annual - Gratuity: Death/Retirement/Medical Retirement(Work	744	17	43 765
Capped - Gratuity: Death/Retirement/Medical Retirement(Work	1 115	9	123 889
<b>TOTAL</b>	<b>2 221</b>	<b>33</b>	<b>219 368</b>

### 3.11 HIV AND AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part III Section 55 (6) of Chapter 4 of the Public Service Regulations, 2016 If so, provide her/his name and position.	Yes		Ms RV Jones :Acting Chief Director : Corporate Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Department has the Employee health and Wellness Sub-Directorate comprising of three (03) officials. 01 Manager 01 Assistant Manager 01 Administration Officer
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The Department has the 02 Employee Assistant Practitioners responsible for the implementation of the Employee Health and Wellness in the workplace based on the four pillars : <input type="checkbox"/> HIV and AIDS and TB Management <input type="checkbox"/> Wellness Management <input type="checkbox"/> Health and productivity Management <input type="checkbox"/> SHERQ Management

4. Has the department established (a) committee(s) as contemplated in Part III Section 55 (6) of Chapter 4 of the Public Service Regulations, 2016. If so please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes	The Department has established the Special Programmes/Employee Health and Wellness committee appointed by the Head of Department : Committee members are as follows: Ms Nompumelelo Malupe Mr Isaiah Chiloane Ms Keneilwe Letele Ms Happy Nkosi Mr Welcome Themba Mr Musa Mbethe Mr Bheki Simelane Mr Kgomotso Manzini Ms Esther Maluleka Ms Lindiwe Msibi Ms Lindiwe Nxumalo Ms Nancy Matshume Ms Kholiwe Nkambule Ms Phumzile Mali Ms Phumzile Nyoni Mr Johannes Mavuso Ms Smangele Ntuli
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes	The Department has the HIV and AIDS and TB Management policy in place which is reviewed annually.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes	The Department is guided by the National policy on HIV/AIDs. The Confidentiality Clause applies and the EAP practitioners adhere to the set standards of the Board of the Practitioners.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes	<ul style="list-style-type: none"> <li>▪ The Wellness unit conducts sessions on HIV and AIDS and TB Management to the employees on quarterly basis. Wellness screenings are conducted with the assistance from GEMS and the Department of Health</li> </ul>
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	yes	<p>The Department annually submit the following documents to DPSA</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Employee Health and Wellness System Monitoring tool</li> <li><input type="checkbox"/> Integrated Employee Health and Wellness reporting tool</li> <li><input type="checkbox"/> Employee Health and Wellness Operational Plans.</li> </ul> <p>The Department also submit the reports to the inter-departmental Employee Health and Wellness forums Quarterly reports are submitted to DPSA.</p>

### 3.12 Labour Relations

*Table 3.12.1 Collective agreements for the period 1 April 2019 to 31 March 2020*

Subject matter	Date
None	

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

*Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 to 31 March 2020*

OUTCOMES OF DISCIPLINARY HEARINGS	Number	% of total
Final written warning	2	25%
Written warning	5	62.5%
Abscondment	1	12.5%
<b>TOTAL</b>	<b>8</b>	<b>100%</b>

*Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 to 31 March 2020*

Type of misconduct	Number	% of total
Violation of Section 30 of the PSA	1	33.33%
Assault	1	33.33%
Absenteeism	1	33.33%
<b>TOTAL</b>	<b>3</b>	<b>100%</b>

*Table 3.12.4 Grievances logged for the period 1 April 2019 to 31 March 2020*

Grievances	Number	% of Total
Not resolved	0	0%
Resolved	6	50%
Pending	6	50%
<b>TOTAL</b>	<b>6</b>	<b>100%</b>

*Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 to 31 March 2020*

Disputes	Number	% of Total
Number of disputes upheld	0	0%
Number of disputes dismissed	1	16.7%
	6	16.7%
	6	16.7%
<b>Total number of disputes lodged</b>	<b>6</b>	<b>100%</b>

*Table 3.12.6 Strike actions for the period 1 April 2019 to 31 March 2020*

Total number of persons working days lost	<b>none</b>
Total costs working days lost	
Amount recovered as a result of no work no pay (R'000)	

*Table 3.12.7 Precautionary suspensions for the period 1 April 2019 to 31 March 2020*

Number of people suspended	<b>3</b>
Number of people who's suspension exceeded 30 days	<b>1</b>
Average number of days suspended	<b>54</b>
Cost of suspension(R'000)	<b>R132 053.00</b>

### 3.13 Skills development

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

*Table 3.13.1 Training needs identified for the period 1 April 2019 to 31 March 2020*

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	21	7	28
	Male	11	0	21	7	28
Professionals	Female	27	0	30	14	34
	Male	29	0	30	14	34
Technicians and associate professionals	Female	87	0	32	14	46
	Male	81	0	32	14	46
Clerks	Female	266	2	32	14	48
	Male	224	2	32	14	48
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Labourers and related workers.	Female	20	2	2	0	4
	Male	28	2	2	0	4
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	1	0	1
Other	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	405	0	0	0	0
	Male	374	0	0	0	0
<b>Total</b>		<b>779</b>	<b>4</b>	<b>230</b>	<b>84</b>	<b>111</b>

Table 3.13.2 Training provided for the period 1 April 2019 to 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	6	0	6
	Male	11	0	6	0	6
Professionals	Female	27	0	6	2	8
	Male	29	0	6	2	8
Technicians and associate professionals	Female	87	1	5	2	8
	Male	81	1	5	2	8
Clerks	Female	266	2	7	2	11
	Male	224	2	7	0	9
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	20	0	0	0	0
	Male	28	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	1	0	1
	Male	1	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	405	0	0	0	0
	Male	374	0	0	0	0
<b>Total</b>		<b>779</b>	<b>6</b>	<b>48</b>	<b>10</b>	<b>64</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 to 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	3
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	3	3

### 3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 to 31 March 2020

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
none	0	0	0
none	0	0	0

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 to 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
none	0	0	0
none	0	0	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 to 31 March 2020

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
none	0	0	0
none	0	0	0

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 to 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

### 3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 to 31 March 2020

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

# **PART E: FINANCIAL INFORMATION**

# Report of the auditor-general to the Mpumalanga Provincial Legislature on vote no. 4: Department of Co-operative Governance and Traditional Affairs

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Department of Co-operative Governance and Traditional Affairs, set out on pages 80 to 126, which comprise the appropriation statement, the statement of financial position as at 31 March 2020, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Co-operative Governance and Traditional Affairs as at 31 March 2020, and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard (MCS), and the requirements of the Public Management Finance Act 1 of 1999 (PFMA) and Division of Revenue Act 16 of 2019 (Dora).

### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of matters

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

### Irregular expenditure

7. As disclosed in note 21 of the financial statements, irregular expenditure to the amount of R10 667 000 incurred in previous years was still under investigation.

### Restatement of corresponding figures

8. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2020.

### Other matter

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

### Unaudited supplementary schedules

10. The supplementary information set out on pages 123 to 125 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

### Auditor-general's responsibilities for the audit of the financial statements

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

15. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings, but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3- development and planning	29 – 36

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3 – development and planning

### Other matters

20. I draw attention to the matters below.

### Achievement of planned targets

21. Refer to the annual performance report on pages 18 to 43 for information on the achievement of planned targets for the year and explanations provided for the underachievement of a number of targets.

### Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the development and planning programme. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

## Report on the audit of compliance with legislation

## Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings, but not to gather evidence to express assurance.
24. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

## Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report and the audit committee's report. The other information does not include the financial statements, the auditor's report or the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I have nothing to report in this regard.

## Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

*Auditor - General*

Mbombela  
31 August 2020



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **Annexure – Auditor-general’s responsibility for the audit**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department’s compliance with respect to the selected subject matters.

### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit 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 department’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
- Conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of department of Co-operative Governance and Traditional Affairs to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit, and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2020**

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)**

**VOTE 04**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2020**

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(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2020

Appropriation per programme									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	146 603	-	(2 536)	144 067	144 039	28	100.0%	125 836	125 836
2. Local Governance	204 207	-	5 572	209 779	209 776	3	100.0%	205 377	205 377
3. Development and Planning	78 282	-	5 761	84 043	84 025	18	100.0%	56 730	56 729
4. Traditional Institutional Management	154 964	-	(8 646)	146 318	146 307	11	100.0%	114 985	114 933
5. The House of Traditional Leaders	21 958	-	(151)	21 807	21 318	489	97.8%	21 235	21 235
<b>TOTAL</b>	<b>606 014</b>	<b>-</b>	<b>-</b>	<b>606 014</b>	<b>605 465</b>	<b>549</b>	<b>99.9%</b>	<b>524 163</b>	<b>524 110</b>

	2019/20		2018/19	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
Reconciliation with statement of financial performance				
<b>ADD</b>				
Departmental receipts	2 529		1 291	
NRF Receipts				
Aid assistance				
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>608 543</b>		<b>525 454</b>	
<b>ADD</b>				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>605 465</b>		<b>524 110</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2020

Appropriation per economic classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>544 863</b>	<b>(1 266)</b>		<b>543 597</b>	<b>543 050</b>	<b>547</b>	<b>99.9%</b>	<b>483 740</b>	<b>484 092</b>
<b>Compensation of employees</b>	<b>430 184</b>	<b>(9 871)</b>	<b>(11 182)</b>	<b>409 131</b>	<b>409 131</b>	-	<b>100.0%</b>	<b>392 763</b>	<b>392 763</b>
Salaries and wages	373 225	(8 990)	(6 801)	357 434	357 434	-	100.0%	343 449	343 449
Social contributions	56 959	(881)	(4 381)	51 697	51 697	-	100.0%	49 314	49 314
<b>Goods and services</b>	<b>114 679</b>	<b>8 605</b>	<b>11 182</b>	<b>134 466</b>	<b>133 919</b>	<b>547</b>	<b>99.6%</b>	<b>90 977</b>	<b>91 329</b>
Administrative fees	648	18	-	666	654	12	98.2%	588	590
Advertising	1 026	219	-	1 245	1 244	1	99.9%	723	723
Minor assets	600	3	-	603	602	1	99.8%	209	209
Audit costs: External	4 428	(1 062)	-	3 366	3 366	-	100.0%	3 584	3 583
Catering: Departmental activities	2 366	278	-	2 644	2 637	7	99.7%	2 056	2 055
Communication	7 549	112	-	7 661	7 650	11	99.9%	8 166	8 167
Computer services	289	(10)	-	279	278	1	99.6%	273	274
Consultants: Business and advisory services	17 016	1 188	5 421	23 625	23 141	484	98.0%	26 177	26 177
Infrastructure and planning services	3 000	269	-	3 269	3 269	-	100.0%	2 005	2 004
Legal services	1 454	(718)	-	736	735	1	99.9%	1 488	1 489
Contractors	879	153	-	1 032	1 032	-	100.0%	931	931
Fleet services	4 690	(1 639)	-	3 051	3 050	1	100.0%	3 420	3 420
Inventory: Clothing material and supplies	211	-	-	211	184	27	87.2%	201	201
Inventory: Materials and supplies	26 500	<b>6 083</b>	<b>5 761</b>	38 344	38 344	-	<b>100.0%</b>	-	-
Consumable supplies	552	608	-	1 160	1 159	1	99.9%	629	630
Consumable: Stationery, printing and office supplies	3 335	105	-	3 440	3 433	7	99.8%	2 370	2 370
Operating leases	11 943	1 853	-	13 796	13 795	1	100.0%	10 845	11 191
Property payments	5 265	1 857	-	7 122	7 121	1	100.0%	5 568	5 568
Travel and subsistence	18 103	424	-	18 527	18 545	(18)	100.1%	18 462	18 465
Training and development	2 657	(35)	-	2 622	2 621	1	100.0%	1 667	1 667
Operating payments	1 278	(700)	-	578	573	5	99.1%	894	894
Venues and facilities	890	(401)	-	489	486	3	99.4%	721	721
<b>Transfers and subsidies</b>	<b>26 294</b>	<b>(3 069)</b>	-	<b>23 225</b>	<b>23 224</b>	<b>1</b>	<b>100.0%</b>	<b>33 611</b>	<b>33 607</b>
<b>Provinces and Municipalities</b>	<b>84</b>	<b>(49)</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97.1%</b>	<b>155</b>	<b>155</b>
<b>Provinces</b>								<b>35</b>	<b>35</b>
Provincial Agencies and Funds	-	-	-	-	-	-	-	35	35
<b>Municipalities</b>	<b>84</b>	<b>(49)</b>	-	<b>35</b>	<b>34</b>	<b>1</b>	<b>97.1%</b>	<b>120</b>	<b>120</b>
Municipal agencies and funds	84	(49)	-	35	34	1	97.1%	120	120
Departmental Agencies & Accounts								-	-
<b>Non-profit institutions</b>	<b>21 000</b>	<b>(225)</b>	-	<b>20 775</b>	<b>20 775</b>	-	<b>100.0%</b>	<b>22 188</b>	<b>22 188</b>
<b>Public Corporation</b>	-	-	-	-	-	-	-	<b>10 531</b>	<b>10 532</b>
<b>Households</b>	<b>5 210</b>	<b>(2 795)</b>	-	<b>2 415</b>	<b>2 415</b>	-	<b>100.0%</b>	<b>737</b>	<b>732</b>
Social benefits	5 210	(2 795)	-	2 415	2 415	-	100.0%	737	732
<b>Payments for capital assets</b>	<b>34 857</b>	<b>4 050</b>	-	<b>38 907</b>	<b>38 906</b>	<b>1</b>	<b>100.0%</b>	<b>6 753</b>	<b>6 353</b>
<b>Buildings and other fixed structures</b>	<b>482</b>	<b>45</b>	-	<b>527</b>	<b>527</b>	-	<b>100.0%</b>	<b>5 450</b>	<b>5 396</b>
Buildings	482	45	-	527	527	-	100.0%	4 390	4 336
Other fixed structures								1 060	1 060
<b>Machinery and equipment</b>	<b>34 375</b>	<b>4 005</b>	-	<b>38 380</b>	<b>38 379</b>	<b>1</b>	<b>100.0%</b>	<b>1 303</b>	<b>957</b>
Transport equipment	32 368	177	-	32 545	32 544	1	100.0%	-	-
Other machinery and equipment	2 007	3 828	-	5 835	5 835	-	100.0%	1 303	957
<b>Payments for financial assets</b>	-	<b>285</b>	-	<b>285</b>	<b>285</b>	-	<b>100.0%</b>	<b>59</b>	<b>58</b>
<b>TOTAL</b>	<b>606 014</b>	-	-	<b>606 014</b>	<b>605 465</b>	<b>549</b>	<b>99.9%</b>	<b>524 163</b>	<b>524 110</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2020

Programme 1: ADMINISTRATION									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Office of the MEC	7 343	2 722	-	10 065	10 060	5	100.0%	7 516	7 516
2. Corporate Service	139 260	(2 722)	(2 536)	134 002	133 979	23	100.0%	118 320	118 320
<b>Total for sub programmes</b>	<b>146 603</b>	<b>-</b>	<b>(2 536)</b>	<b>144 067</b>	<b>144 039</b>	<b>28</b>	<b>100.0%</b>	<b>125 836</b>	<b>125 836</b>

Economic classification									
<b>Current payments</b>	<b>137 840</b>	<b>(1 491)</b>	<b>(3 958)</b>	<b>132 391</b>	<b>132 364</b>	<b>27</b>	<b>100.0%</b>	<b>122 916</b>	<b>123 268</b>
<b>Compensation of employees</b>	<b>88 390</b>	<b>(1 116)</b>	<b>(3 958)</b>	<b>83 316</b>	<b>83 316</b>	<b>-</b>	<b>100.0%</b>	<b>78 909</b>	<b>78 909</b>
Salaries and wages	76 900	(972)	(3 958)	71 970	71 970	-	100.0%	68 317	68 317
Social contributions	11 490	(144)	-	11 346	11 346	-	100.0%	10 592	10 592
<b>Goods and services</b>	<b>49 450</b>	<b>(375)</b>	<b>-</b>	<b>49 075</b>	<b>49 048</b>	<b>27</b>	<b>99.9%</b>	<b>44 007</b>	<b>44 359</b>
Administrative fees	217	61	-	278	275	3	98.9%	223	224
Advertising	840	(155)	-	685	685	-	100.0%	723	723
Minor assets	305	3	-	308	307	1	99.7%	209	209
Audit costs: External	4 428	(1 062)	-	3 366	3 366	-	100.0%	3 584	3 583
Catering: Departmental activities	566	50	-	616	614	2	99.7%	700	701
Communication	6 497	137	-	6 634	6 632	2	100.0%	7 163	7 163
Computer services	119	(8)	-	111	110	1	99.1%	114	114
Consultants: Business and advisory services	504	(320)	-	184	183	1	99.5%	153	153
Legal services	1 454	(718)	-	736	735	1	99.9%	1 488	1 489
Contractors	524	30	-	554	554	-	100.0%	387	387
Fleet Services	4 690	(1 639)	-	3 051	3 050	1	100.0%	3 420	3 420
Consumable supplies	552	483	-	1 035	1 034	1	99.9%	629	630
Consumable: Stationery, printing and office supplies	2 885	349	-	3 234	3 227	7	99.8%	1 947	1 947
Operating leases	11 943	1 853	-	13 796	13 795	1	100.0%	10 845	11 191
Property payments	5 265	1 857	-	7 122	7 121	1	100.0%	5 568	5 568
Travel and subsistence	5 731	(717)	-	5 014	5 011	3	99.9%	4 944	4 947
Training and development	2 157	(180)	-	1 977	1 977	-	100.0%	1 305	1 305
Operating payments	629	(390)	-	239	238	1	99.6%	522	522
Venues and facilities	144	(9)	-	135	134	1	99.3%	83	83
<b>Transfers and subsidies</b>	<b>5 294</b>	<b>(2 844)</b>	<b>-</b>	<b>2 450</b>	<b>2 449</b>	<b>1</b>	<b>100.0%</b>	<b>772</b>	<b>767</b>
<b>Provinces and Municipalities</b>	<b>84</b>	<b>(49)</b>	<b>-</b>	<b>35</b>	<b>34</b>	<b>1</b>	<b>97.1%</b>	<b>35</b>	<b>35</b>
Provincial Agencies and Funds	84	(49)	-	35	34	1	97.1%	35	35
Non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Households</b>	<b>5 210</b>	<b>(2 795)</b>	<b>-</b>	<b>2 415</b>	<b>2 415</b>	<b>-</b>	<b>100.0%</b>	<b>737</b>	<b>732</b>
<b>Social benefits</b>	<b>5 210</b>	<b>(2 795)</b>	<b>-</b>	<b>2 415</b>	<b>2 415</b>	<b>-</b>	<b>100.0%</b>	<b>737</b>	<b>732</b>
<b>Payments for capital assets</b>	<b>3 469</b>	<b>4 050</b>	<b>1 422</b>	<b>8 941</b>	<b>8 941</b>	<b>-</b>	<b>100.0%</b>	<b>2 089</b>	<b>1 743</b>
<b>Buildings and other fixed structures</b>	<b>482</b>	<b>45</b>	<b>-</b>	<b>527</b>	<b>527</b>	<b>-</b>	<b>100.0%</b>	<b>1 060</b>	<b>1 060</b>
Other fixed structures	482	45	-	527	527	-	100.0%	1 060	1 060
<b>Machinery and equipment</b>	<b>2 987</b>	<b>4 005</b>	<b>1 422</b>	<b>8 414</b>	<b>8 414</b>	<b>-</b>	<b>100.0%</b>	<b>1 029</b>	<b>683</b>
Transport equipment	1 368	177	1422	2 967	2 967	-	100.0%	-	-
Other Machinery and Equipment	1 619	3 828	-	5 447	5 447	-	100.0%	1 029	683
<b>Payments for financial assets</b>	<b>-</b>	<b>285</b>	<b>-</b>	<b>285</b>	<b>285</b>	<b>-</b>	<b>100.0%</b>	<b>59</b>	<b>58</b>
<b>TOTAL</b>	<b>146 603</b>	<b>-</b>	<b>(2 536)</b>	<b>144 067</b>	<b>144 039</b>	<b>28</b>	<b>100.0%</b>	<b>125 836</b>	<b>125 836</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2020

1.1 OFFICE OF THE MEC									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 343</b>	<b>2 722</b>	-	<b>10 065</b>	<b>10 060</b>	<b>5</b>	<b>100.0%</b>	<b>7 516</b>	<b>7 516</b>
Compensation of employees	6 111	2 378	-	8 489	8 488	1	100.0%	6 147	6 147
Goods and services	1 232	344	-	1 576	1 572	4	99.7%	1 369	1 369
<b>TOTAL</b>	<b>7 343</b>	<b>2 722</b>	-	<b>10 065</b>	<b>10 060</b>	<b>5</b>	<b>100.0%</b>	<b>7 516</b>	<b>7 516</b>

1.2 CORPORATE SERVICES									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>130 497</b>	<b>(4 213)</b>	<b>(3 958)</b>	<b>122 326</b>	<b>122 304</b>	<b>22</b>	<b>100.0%</b>	<b>115 400</b>	<b>115 752</b>
Compensation of employees	82 279	(3 494)	(3 958)	74 827	74 828	(1)	100.0%	72 762	72 762
Goods and services	48 218	(719)	-	47 499	47 476	23	100.0%	42 638	42 990
<b>Transfers and subsidies</b>	<b>5 294</b>	<b>(2 844)</b>	-	<b>2 450</b>	<b>2 449</b>	<b>1</b>	<b>100.0%</b>	<b>772</b>	<b>767</b>
Provinces and Municipalities	84	(49)	-	35	34	1	97.1%	35	35
Households	5 210	(2 795)	-	2 415	2 415	-	100.0%	737	732
<b>Payments for capital assets</b>	<b>3 469</b>	<b>4 050</b>	<b>1 422</b>	<b>8 941</b>	<b>8 941</b>	-	<b>100.0%</b>	<b>2 089</b>	<b>1 743</b>
Buildings and other fixed structures	482	45	-	527	527	-	100.0%	1 060	1 060
Other Machinery and equipment	2 987	4 005	1 422	8 414	8 414	-	100.0%	1 029	683
<b>Payments for financial assets</b>	-	<b>285</b>	-	<b>285</b>	<b>285</b>	-	<b>100.0%</b>	<b>59</b>	<b>58</b>
<b>TOTAL</b>	<b>139 260</b>	<b>(2 722)</b>	<b>(2 536)</b>	<b>134 002</b>	<b>133 979</b>	<b>23</b>	<b>100.0%</b>	<b>118 320</b>	<b>118 320</b>

Programme 2: LOCAL GOVERNANCE									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
1. Office Support	2 115	(29)	-	2 086	2 086	-	100.0%	1 952	1 952
2. Municipal Administration	26 444	(11)	5 572	32 005	32 005	-	100.0%	35 276	35 276
3. Public Participation	167 581	(108)	-	167 473	167 470	3	100.0%	160 505	160 505
4. Capacity Development	3 845	(95)	-	3 750	3 749	1	100.0%	3 410	3 410
5. Municipal Performance Monitoring Evaluation	4 222	243	-	4 465	4 466	(1)	100.0%	4 234	4 234
<b>Total for sub programmes</b>	<b>204 207</b>	-	<b>5 572</b>	<b>209 779</b>	<b>209 776</b>	<b>3</b>	<b>100.0%</b>	<b>205 377</b>	<b>205 377</b>

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APPROPRIATION STATEMENT

for the year ended 31 March 2020

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>204 207</b>	<b>-</b>	<b>5 572</b>	<b>209 779</b>	<b>209 776</b>	<b>3</b>	<b>100.0%</b>	<b>205 377</b>	<b>205 377</b>
<b>Compensation of employees</b>	<b>182 645</b>	<b>(1 416)</b>	<b>-</b>	<b>181 229</b>	<b>181 230</b>	<b>(1)</b>	<b>100.0%</b>	<b>174 850</b>	<b>174 850</b>
Salaries and wages	157 717	(6 735)	-	150 982	150 983	(1)	100.0%	145 905	145 905
Social contributions	24 928	5 319	-	30 247	30 247	-	100.0%	28 945	28 945
<b>Goods and services</b>	<b>21 562</b>	<b>1 416</b>	<b>5 572</b>	<b>28 550</b>	<b>28 546</b>	<b>4</b>	<b>100.0%</b>	<b>30 527</b>	<b>30 527</b>
Administrative fees	125	(21)	-	104	104	-	100.0%	93	93
Advertising		492		492	492				
Catering: Departmental activities	325	(75)	-	250	250	-	100.0%	274	274
Communication	337	13	-	350	350	-	100.0%	348	348
Consultants: Business and advisory services	15 807	1 579	5 572	22 958	22 958	-	100.0%	25 297	25 297
Consumable: Stationery, printing and office supplies	450	(244)	-	206	206	-	100.0%	423	423
Travel and subsistence	3 561	(94)	-	3 467	3 465	2	99.9%	3 319	3 319
Training and development	500	145	-	645	644	1	99.8%	362	362
Operating payments	207	(129)	-	78	77	1	98.7%	115	115
Venues and facilities	250	(250)	-	-	-	-	-	296	296
<b>Total</b>	<b>204 207</b>	<b>-</b>	<b>5 572</b>	<b>209 779</b>	<b>209 776</b>	<b>3</b>	<b>100.0%</b>	<b>205 377</b>	<b>205 377</b>

2.1 OFFICE SUPPORT

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 115</b>	<b>(29)</b>	<b>-</b>	<b>2 086</b>	<b>2 086</b>	<b>-</b>	<b>100.0%</b>	<b>1 952</b>	<b>1 952</b>
Compensation of employees	1 815	(81)	-	1 734	1 734	-	100.0%	1 614	1 614
Goods and services	300	52	-	352	352	-	100.0%	338	338
<b>Total</b>	<b>2 115</b>	<b>(29)</b>	<b>-</b>	<b>2 086</b>	<b>2 086</b>	<b>-</b>	<b>100.0%</b>	<b>1 952</b>	<b>1 952</b>

2.2 MUNICIPAL ADMINISTRATION

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>26 444</b>	<b>(11)</b>	<b>5 572</b>	<b>32 005</b>	<b>32 005</b>	<b>-</b>	<b>100.0%</b>	<b>35 276</b>	<b>35 276</b>
Compensation of employees	9 169	(1 149)	-	8 020	8 020	-	100.0%	8 428	8 428
Goods and services	17 275	1 138	5 572	23 985	23 985	-	100.0%	26 848	26 848
<b>Total</b>	<b>26 444</b>	<b>(11)</b>	<b>5 572</b>	<b>32 005</b>	<b>32 005</b>	<b>-</b>	<b>100.0%</b>	<b>35 276</b>	<b>35 276</b>

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VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2020

2.3 PUBLIC PARTICIPATION									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>167 581</b>	<b>(108)</b>	-	<b>167 473</b>	<b>167 470</b>	<b>3</b>	<b>100.0%</b>	<b>160 505</b>	<b>160 505</b>
Compensation of employees	164 913	(234)	-	164 679	164 679	-	100.0%	158 251	158 251
Goods and services	2 668	126	-	2 794	2 791	3	99.9%	2 254	2 254
<b>Total</b>	<b>167 581</b>	<b>(108)</b>	-	<b>167 473</b>	<b>167 470</b>	<b>3</b>	<b>100.0%</b>	<b>160 505</b>	<b>160 505</b>

2.4 CAPACITY DEVELOPMENT									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 845</b>	<b>(95)</b>	-	<b>3 750</b>	<b>3 749</b>	<b>1</b>	<b>100.0%</b>	<b>3 410</b>	<b>3 410</b>
Compensation of employees	2 957	(181)	-	2 776	2 776	-	100.0%	2 742	2 742
Goods and services	888	86	-	974	973	1	99.9%	668	668
<b>Total</b>	<b>3 845</b>	<b>(95)</b>	-	<b>3 750</b>	<b>3 749</b>	<b>1</b>	<b>100.0%</b>	<b>3 410</b>	<b>3 410</b>

2.5 MUNICIPAL PERFORMANCE MONITORING AND EVALUATION									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 222</b>	<b>243</b>	-	<b>4 465</b>	<b>4 466</b>	<b>(1)</b>	<b>100.0%</b>	<b>4 234</b>	<b>4 234</b>
Compensation of employees	3 791	229	-	4 020	4 021	(1)	100.0%	3 815	3 815
Goods and services	431	14	-	445	445	-	100.0%	419	419
<b>Total</b>	<b>4 222</b>	<b>243</b>	-	<b>4 465</b>	<b>4 465</b>	<b>(1)</b>	<b>100.0%</b>	<b>4 234</b>	<b>4 234</b>

Programme 3: DEVELOPMENT AND PLANNING									
2019/20								2018/19	
Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Office Support	1 790	44	-	1 834	1 830	4	99.8%	1 677	1 676
2. Spatial Planning	5 269	818	-	6 087	6 084	3	100.0%	5 576	5 576
3. Land Use Management	16 494	(1 308)	-	15 186	15 186	-	100.0%	13 254	13 254
4. Integrated Development and Plan (IDP)	2 589	53	-	2 642	2 642	-	100.0%	2 579	2 579
5. Local Economic Development	10 696	(3 950)	-	6 746	6 745	1	100.0%	6 648	6 648
6. Municipal Infrastructure	6 641	(1 785)	-	4 856	4 850	6	99.9%	19 547	19 548
7. Disaster Management	34 803	6 128	5 761	46 692	46 688	4	100.0%	7 449	7 448
<b>Total for sub programmes</b>	<b>78 282</b>	<b>-</b>	<b>5 761</b>	<b>84 043</b>	<b>84 025</b>	<b>18</b>	<b>100.0%</b>	<b>56 730</b>	<b>56 729</b>

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VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2020

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>78 282</b>	<b>-</b>	<b>5 761</b>	<b>84 043</b>	<b>84 025</b>	<b>18</b>	<b>100.0%</b>	<b>41 913</b>	<b>41 911</b>
<b>Compensation of employees</b>	<b>44 593</b>	<b>(6 646)</b>	<b>-</b>	<b>37 947</b>	<b>37 947</b>	<b>-</b>	<b>100.0%</b>	<b>35 900</b>	<b>35 898</b>
Salaries and wages	38 943	(5 459)	-	33 484	33 484	-	100.0%	31 771	31 768
Social contributions	5 650	(1 187)	-	4 463	4 463	-	100.0%	4 129	4 130
<b>Goods and services</b>	<b>33 689</b>	<b>6 646</b>	<b>5 761</b>	<b>46 096</b>	<b>46 078</b>	<b>18</b>	<b>100.0%</b>	<b>6 013</b>	<b>6 013</b>
Administrative fees	105	(44)	-	61	55	6	90.2%	51	51
Advertising	66	2	-	68	67	1	98.5%	-	-
Catering: Departmental activities	249	299	-	548	546	2	99.6%	258	257
Communication	298	9	-	307	301	6	98.0%	266	266
Computer services	170	(2)	-	168	168	-	100.0%	159	160
Infrastructure and planning services	3 000	269	-	3 269	3 269	-	100.0%	2 005	2 004
Inventory: Clothing material and supplies	211	-	-	211	184	27	87.2%	201	201
Inventory: Materials and supplies	26 500	6 083	5 761	38 344	38 344	-	100.0%	-	-
Consumable supplies	-	125	-	125	125	-	100.0%	-	-
Travel and subsistence	2 800	117	-	2 917	2 942	(25)	100.9%	2 988	2 989
Operating payments	223	(201)	-	22	22	-	100.0%	49	49
Venues and facilities	67	(11)	-	56	55	1	98.2%	36	36
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10 651</b>	<b>10 652</b>
<b>Provinces and Municipalities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>120</b>
Public Corporations	-	-	-	-	-	-	-	10 531	10 532
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 166</b>	<b>4 166</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	4 166	4 166
Buildings	-	-	-	-	-	-	-	4 166	4 166
Other fixed structures	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>78 282</b>	<b>-</b>	<b>5 761</b>	<b>84 043</b>	<b>84 025</b>	<b>18</b>	<b>100.0%</b>	<b>56 730</b>	<b>56 729</b>

3.1 OFFICE SUPPORT

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 790</b>	<b>44</b>	<b>-</b>	<b>1 834</b>	<b>1 830</b>	<b>4</b>	<b>99.8%</b>	<b>1 677</b>	<b>1 676</b>
Compensation of employees	1 553	(13)	-	1 540	1 540	-	100.0%	1 446	1 445
Goods and services	237	57	-	294	290	4	98.6%	231	231
<b>Total</b>	<b>1 790</b>	<b>44</b>	<b>-</b>	<b>1 834</b>	<b>1 830</b>	<b>4</b>	<b>99.8%</b>	<b>1 677</b>	<b>1 676</b>

3.2 SPATIAL PLANNING

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>5 269</b>	<b>818</b>	<b>-</b>	<b>6 087</b>	<b>6 084</b>	<b>3</b>	<b>100.0%</b>	<b>5 576</b>	<b>5 576</b>
Compensation of employees	3 573	552	-	4 125	4 125	-	100.0%	3 484	3 484
Goods and services	1 696	266	-	1 962	1 959	3	99.8%	2 092	2 092
<b>Total</b>	<b>5 269</b>	<b>818</b>	<b>-</b>	<b>6 087</b>	<b>6 084</b>	<b>3</b>	<b>100.0%</b>	<b>5 576</b>	<b>5 576</b>

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for the year ended 31 March 2020**

<b>3.3 LAND USE MANAGEMENT</b>									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>16 494</b>	<b>(1 308)</b>	-	<b>15 186</b>	<b>15 186</b>	-	<b>100.0%</b>	<b>13 254</b>	<b>13 254</b>
Compensation of employees	13 696	(1 228)	-	12 468	12 468	-	100.0%	11 932	11 931
Goods and services	2 798	(80)	-	2 718	2 718	-	100.0%	1 322	1 323
<b>Total</b>	<b>16 494</b>	<b>(1 308)</b>	-	<b>15 186</b>	<b>15 186</b>	-	<b>100.0%</b>	<b>13 254</b>	<b>13 254</b>

<b>3.4 INTERGRATED DEVELOPMENT AND PLANNING</b>									
	2019/20							2018/19	
	Adjusted Appropriation	Shift-ing of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 589</b>	<b>53</b>	-	<b>2 642</b>	<b>2 642</b>	-	<b>100.0%</b>	<b>2 579</b>	<b>2 579</b>
Compensation of employees	2 279	94	-	2 373	2 373	-	100.0%	2 262	2 262
Goods and services	310	(41)	-	269	269	-	100.0%	317	317
<b>Total</b>	<b>2 589</b>	<b>53</b>	-	<b>2 642</b>	<b>2 642</b>	-	<b>100.0%</b>	<b>2 579</b>	<b>2 579</b>

<b>3.5 LOCAL ECONOMIC DEVELOPMENT (LED)</b>									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>10 696</b>	<b>(3 950)</b>	-	<b>6 746</b>	<b>6 745</b>	<b>1</b>	<b>100.0%</b>	<b>6 648</b>	<b>6 648</b>
Compensation of employees	9 872	(3 912)	-	5 960	5 960	-	100.0%	5 869	5 869
Goods and services	824	(38)	-	786	785	1	99.9%	779	779
<b>Total</b>	<b>10 696</b>	<b>(3 950)</b>	-	<b>6 746</b>	<b>6 745</b>	<b>1</b>	<b>100.0%</b>	<b>6 648</b>	<b>6 648</b>

<b>3.6 MUNICIPAL INFRASTRUCTURE</b>									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 641</b>	<b>(1 785)</b>	-	<b>4 856</b>	<b>4 850</b>	<b>6</b>	<b>99.9%</b>	<b>4 730</b>	<b>4 730</b>
Compensation of employees	6 134	(1 782)	-	4 352	4 352	-	100.0%	4 162	4 162
Goods and services	507	(3)	-	504	498	6	98.8%	568	568
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>10 651</b>	<b>10 652</b>
Public corporations and private enterprises	-	-	-	-	-	-	-	10 531	10 532
Municipalities	-	-	-	-	-	-	-	120	120
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	<b>4 166</b>	<b>4 166</b>
Buildings	-	-	-	-	-	-	-	4 166	4 166
Other fixed structures	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6 641</b>	<b>(1 785)</b>	-	<b>4 856</b>	<b>4 850</b>	<b>6</b>	<b>100.0%</b>	<b>19 547</b>	<b>19 548</b>

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VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2020

3.7 DISASTER MANAGEMENT									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>34 803</b>	<b>6 128</b>	<b>5 761</b>	<b>46 692</b>	<b>46 688</b>	<b>4</b>	<b>100.0%</b>	<b>7 449</b>	<b>7 448</b>
Compensation of employees	7 486	(357)	-	7 129	7 129	-	100.0%	6 745	6 745
Goods and services	27 317	6 485	5 761	39 563	39 559	4	100.0%	704	703
<b>Total</b>	<b>34 803</b>	<b>6 128</b>	<b>5 761</b>	<b>46 692</b>	<b>46 688</b>	<b>4</b>	<b>100.0%</b>	<b>7 449</b>	<b>7 448</b>

PROGRAMME 4

Programme 4 TRADITIONAL INSTITUTIONAL MANAGEMENT									
2019/20								2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme:</b>									
1. Office Support	1 985	32	-	2 017	2 015	2	99.9%	1 858	1 858
2. Traditional Institutional Administration	20 402	(1)	(3 138)	17 263	17 261	2	100.0%	18 042	18 042
3. Traditional Resource Administration	123 960	(637)	(5 508)	117 815	117 812	3	100.0%	85 381	85 383
4. Rural Development Facilitation	5 562	226	-	5 788	5 786	2	100.0%	6 497	6 442
5. Traditional Land Administration	3 055	380	-	3 435	3 433	2	99.9%	3 207	3 208
<b>Total for sub programmes</b>	<b>154 964</b>	<b>-</b>	<b>(8 646)</b>	<b>146 318</b>	<b>146 307</b>	<b>11</b>	<b>100.0%</b>	<b>114 985</b>	<b>114 933</b>

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>102 576</b>	<b>225</b>	<b>(7 224)</b>	<b>95 577</b>	<b>95 567</b>	<b>10</b>	<b>100.0%</b>	<b>92 299</b>	<b>92 301</b>
<b>Compensation of employees</b>	<b>99 573</b>	<b>(461)</b>	<b>(7 224)</b>	<b>91 888</b>	<b>91 887</b>	<b>1</b>	<b>100.0%</b>	<b>89 038</b>	<b>89 041</b>
Salaries and wages	86 629	4 213	(2 843)	87 999	87 998	1	100.0%	85 154	85 157
Social contributions	12 944	(4 674)	(4 381)	3 889	3 889	-	100.0%	3 884	3 884
<b>Goods and services</b>	<b>3 003</b>	<b>686</b>	<b>-</b>	<b>3 689</b>	<b>3 680</b>	<b>9</b>	<b>99.9%</b>	<b>3 261</b>	<b>3 260</b>
Administrative fees	52	8	-	60	58	2	96.7%	35	36
Minor assets	295	-	-	295	295	-	100.0%	-	-
Catering: Departmental activities	78	12	-	90	88	2	97.8%	95	94
Communication	164	(11)	-	153	151	2	98.7%	148	148
Contractors	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 313	585	-	2 898	2 897	1	100.0%	2 781	2 780
Operating payments	101	92	-	193	191	2	99.0%	182	182
Venues and facilities	-	-	-	-	-	-	-	20	20
<b>Transfers and subsidies</b>	<b>21 000</b>	<b>(225)</b>	<b>-</b>	<b>20 775</b>	<b>20 775</b>	<b>-</b>	<b>100.0%</b>	<b>22 188</b>	<b>22 188</b>
Non-profit institutions	21 000	(225)	-	20 775	20 775	-	100.0%	22 188	22 188
<b>Payments for capital assets</b>	<b>31 388</b>	<b>-</b>	<b>(1 422)</b>	<b>29 966</b>	<b>29 965</b>	<b>1</b>	<b>100.0%</b>	<b>498</b>	<b>444</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	224	170
Buildings	-	-	-	-	-	-	-	224	170
<b>Machinery and Equipment</b>	<b>31 388</b>	<b>-</b>	<b>(1 422)</b>	<b>29 966</b>	<b>29 965</b>	<b>1</b>	<b>100.0%</b>	<b>274</b>	<b>274</b>
Transport equipment	31 000	-	(1 422)	29 578	29 577	1	100.0%	-	-
Other machinery and equipment	388	-	-	388	388	-	100.0%	274	274
<b>Total</b>	<b>154 964</b>	<b>-</b>	<b>(8 646)</b>	<b>146 318</b>	<b>146 307</b>	<b>11</b>	<b>100.0%</b>	<b>114 985</b>	<b>114 933</b>

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)****VOTE 04****APPROPRIATION STATEMENT  
for the year ended 31 March 2020**

<b>4.1 OFFICE SUPPORT</b>									
<b>2019/20</b>								<b>2018/19</b>	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>1 985</b>	<b>32</b>	<b>-</b>	<b>2 017</b>	<b>2 015</b>	<b>2</b>	<b>99.9%</b>	<b>1 858</b>	<b>1 858</b>
Compensation of employees	1 798	(21)	-	1 777	1 776	1	99.9%	1 665	1 665
Goods and services	187	53	-	240	239	1	99.6%	193	193
<b>TOTAL</b>	<b>1 985</b>	<b>32</b>	<b>-</b>	<b>2 017</b>	<b>2 015</b>	<b>2</b>	<b>99.9%</b>	<b>1 858</b>	<b>1 858</b>

<b>4.2 TRADITIONAL INSTITUTIONAL ADMINISTRATION</b>									
<b>2019/20</b>								<b>2018/19</b>	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>20 402</b>	<b>(1)</b>	<b>(3 138)</b>	<b>17 263</b>	<b>17 261</b>	<b>2</b>	<b>100.0%</b>	<b>18 042</b>	<b>18 042</b>
Compensation of employees	18 894	(538)	(3 138)	15 218	15 218	-	100.0%	16 196	16 197
Goods and services	1 508	537	-	2 045	2 043	2	99.9%	1 846	1 845
<b>TOTAL</b>	<b>20 402</b>	<b>(1)</b>	<b>(3 138)</b>	<b>17 263</b>	<b>17 261</b>	<b>2</b>	<b>100.0%</b>	<b>18 042</b>	<b>18 042</b>

<b>4.3 TRADITIONAL RESOURCE ADMINISTRATION</b>									
<b>2019/20</b>								<b>2018/19</b>	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>71 960</b>	<b>(412)</b>	<b>(4 086)</b>	<b>67 462</b>	<b>67 460</b>	<b>2</b>	<b>100.0%</b>	<b>64 193</b>	<b>64 195</b>
Compensation of employees	71 773	(466)	(4 086)	67 221	67 221	-	100.0%	64 038	64 041
Goods and services	187	54	-	241	239	2	99.2%	155	154
<b>Transfers and subsidies</b>	<b>21 000</b>	<b>(225)</b>	<b>-</b>	<b>20 775</b>	<b>20 775</b>	<b>-</b>	<b>100.0%</b>	<b>21 188</b>	<b>21 188</b>
Non-profit institutions	21 000	(225)	-	20 775	20 775	-	100.0%	21 188	21 188
<b>Payments for capital assets</b>	<b>31 000</b>	<b>-</b>	<b>(1 422)</b>	<b>29 578</b>	<b>29 577</b>	<b>1</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
Machinery and Equipment	31 000	-	(1 422)	29 578	29 577	1	100.0%	-	-
<b>TOTAL</b>	<b>123 960</b>	<b>(637)</b>	<b>(5 508)</b>	<b>117 815</b>	<b>117 812</b>	<b>3</b>	<b>100.0%</b>	<b>85 381</b>	<b>85 383</b>

<b>4.4 RURAL DEVELOPMENT FACILITATION</b>									
<b>2019/20</b>								<b>2018/19</b>	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>5 174</b>	<b>226</b>	<b>-</b>	<b>5 400</b>	<b>5 398</b>	<b>2</b>	<b>100.0%</b>	<b>4 999</b>	<b>4 998</b>
Compensation of employees	4 336	236	-	4 572	4 572	-	100.0%	4 306	4 305
<b>Goods and services</b>	<b>838</b>	<b>(10)</b>	<b>-</b>	<b>828</b>	<b>826</b>	<b>2</b>	<b>99.8%</b>	<b>693</b>	<b>693</b>
<b>Transfers and Subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 000</b>	<b>1 000</b>
Non Profit Institution	-	-	-	-	-	-	-	1 000	1 000
<b>Payments for capital assets</b>	<b>388</b>	<b>-</b>	<b>-</b>	<b>388</b>	<b>388</b>	<b>-</b>	<b>100.0%</b>	<b>498</b>	<b>444</b>
Building and Other fixed structure	-	-	-	-	-	-	-	224	170
Machinery and Equipment	388	-	-	388	388	-	100.0%	274	274
<b>TOTAL</b>	<b>5 562</b>	<b>226</b>	<b>-</b>	<b>5 788</b>	<b>5 786</b>	<b>2</b>	<b>100.0%</b>	<b>6 497</b>	<b>6 442</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2020

4.5 TRADITIONAL LAND ADMINISTRATION									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>3 055</b>	<b>380</b>	-	<b>3 435</b>	<b>3 433</b>	<b>2</b>	<b>99.9%</b>	<b>3 207</b>	<b>3 208</b>
Compensation of employees	2 772	328	-	3 100	3 100	-	100.0%	2 833	2 833
Goods and services	283	52	-	335	333	2	99.4%	374	375
<b>TOTAL</b>	<b>3 055</b>	<b>380</b>	-	<b>3 435</b>	<b>3 433</b>	<b>2</b>	<b>99.9%</b>	<b>3 207</b>	<b>3 208</b>

PROGRAMME 5

Programme 5: THE HOUSE OF TRADITIONAL LEADERS									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Admin House of Traditional Leaders	8 872	159	-	9 031	9 027	4	100.0%	8 398	8 399
2. Committees and Local Houses	13 086	(159)	(151)	12 776	12 291	485	96.2%	12 837	12 836
<b>Total for sub programmes</b>	<b>21 958</b>	-	<b>(151)</b>	<b>21 807</b>	<b>21 318</b>	<b>489</b>	<b>97.8%</b>	<b>21 235</b>	<b>21 235</b>

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>21 958</b>	-	<b>(151)</b>	<b>21 807</b>	<b>21 318</b>	<b>489</b>	<b>97.8%</b>	<b>21 235</b>	<b>21 235</b>
<b>Compensation of employees</b>	<b>14 983</b>	<b>(232)</b>	-	<b>14 751</b>	<b>14 751</b>	-	<b>100.0%</b>	<b>14 066</b>	<b>14 065</b>
Salaries and wages	13 036	(37)	-	12 999	12 999	-	100.0%	12 302	12 302
Social contributions	1 947	(195)	-	1 752	1 752	-	100.0%	1 764	1 763
<b>Goods and services</b>	<b>6 975</b>	<b>232</b>	<b>(151)</b>	<b>7 056</b>	<b>6 567</b>	<b>489</b>	<b>93.1%</b>	<b>7 169</b>	<b>7 170</b>
Administrative fees	149	14	-	163	162	1	99.4%	186	186
Advertising	120	(120)	-	-	-	-	-	-	-
Catering: Departmental activities	1 148	(8)	-	1 140	1 139	1	99.9%	729	729
Communication	253	(36)	-	217	216	1	99.5%	241	242
Consultants: Business Advisory	705	(71)	(151)	483	-	483	-	727	727
Contractors	355	123	-	478	478	-	100.0%	544	544
Travel and subsistence	3 698	533	-	4 231	4 230	1	100.0%	4 430	4 430
Operating payments	118	(72)	-	46	45	1	97.8%	26	26
Venues and facilities	429	(131)	-	298	297	1	99.7%	286	286
<b>Total</b>	<b>21 958</b>	-	<b>(151)</b>	<b>21 807</b>	<b>21 318</b>	<b>489</b>	<b>97.8%</b>	<b>21 235</b>	<b>21 235</b>

5.1 ADMIN HOUSE OF TRADITIONAL LEADERS									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 872</b>	<b>159</b>	-	<b>9 031</b>	<b>9 027</b>	<b>4</b>	<b>100.0%</b>	<b>8 398</b>	<b>8 399</b>
Compensation of employees	5 482	134	-	5 616	5 616	-	100.0%	5 400	5 400
Goods and services	3 390	25	-	3 415	3 411	4	99.9%	2 998	2 999
<b>TOTAL</b>	<b>8 872</b>	<b>159</b>	-	<b>9 031</b>	<b>9 027</b>	<b>4</b>	<b>100.0%</b>	<b>8 398</b>	<b>8 399</b>

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VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2020

5.2 COMMITTEES AND LOCAL HOUSES									
Economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>13 086</b>	<b>(159)</b>	<b>(151)</b>	<b>12 776</b>	<b>12 291</b>	<b>485</b>	<b>96.2%</b>	<b>12 837</b>	<b>12 836</b>
Compensation of employees	9 501	(366)	-	9 135	9 135	-	100.0%	8 666	8 665
Goods and services	3 585	207	(151)	3 641	3 156	485	86.7%	4 171	4 171
<b>TOTAL</b>	<b>13 086</b>	<b>(159)</b>	<b>(151)</b>	<b>12 776</b>	<b>12 291</b>	<b>485</b>	<b>96.2%</b>	<b>12 837</b>	<b>12 836</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
<b>1. Administration</b>	144 067	144 039	28	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
<b>2. Local Governance</b>	209 779	209 776	3	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
<b>3. Development and Planning</b>	84 043	84 025	18	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
<b>4. Traditional Institutional Management</b>	146 318	146 307	11	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
<b>5. The House of Traditional</b>	21 807	21 318	489	2%
Savings where due to reclassification of sessional allowance to compensation of employees and unspent funds will be surrendered to the Provincial Revenue Fund.				
<b>TOTAL</b>	<b>606 014</b>	<b>605 465</b>	<b>549</b>	<b>0.1%</b>

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>543 597</b>	<b>543 050</b>	<b>547</b>	<b>0%</b>
Compensation of employees	409 131	409 131	-	0%
Goods and services	134 466	133 919	547	0%
<b>Transfers and subsidies</b>	<b>23 225</b>	<b>23 224</b>	<b>1</b>	<b>0%</b>
Provinces and municipalities	35	34	1	3%
Non-profit institutions	20 775	20 775	-	0%
Households	2 415	2 415	-	0%
<b>Payments for capital assets</b>	<b>39 192</b>	<b>39 191</b>	<b>1</b>	<b>0%</b>
Buildings and other fixed structures	527	527	-	0%
Machinery and equipment	38 380	38 379	1	0%
<b>Payments for financial assets</b>	<b>285</b>	<b>285</b>	<b>-</b>	<b>0%</b>
<b>Grand Total</b>	<b>606 014</b>	<b>605 465</b>	<b>549</b>	<b>0%</b>

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
EPWP	2 251	2 167	84	4%

Savings due to strict monitoring of the programme and actual number of days worked by the participants, unspent funds will be surrendered to Provincial Revenue Funds.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>REVENUE</b>			
Annual appropriation	1	606 014	524 163
Departmental revenue	2	2 529	1 291
<b>TOTAL REVENUE</b>		<b>608 543</b>	<b>525 454</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	409 131	392 763
Goods and services	4	133 919	91 329
<b>Total current expenditure</b>		<b>543 050</b>	<b>484 092</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	5	23 224	33 607
<b>Total transfers and subsidies</b>		<b>23 224</b>	<b>33 607</b>
<b>Expenditure for capital assets</b>			
Tangible assets	6	38 906	6 353
<b>Total expenditure for capital assets</b>		<b>38 906</b>	<b>6 353</b>
Unauthorised expenditure approved without funding	8	-	-
<b>Payments for financial assets</b>	9	285	58
<b>TOTAL EXPENDITURE</b>		<b>605 465</b>	<b>524 110</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3 078</b>	<b>1 344</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>549</b>	<b>53</b>
Annual appropriation		465	52
Conditional grants		84	1
Departmental revenue and NRF Receipts	12	2 529	1 291
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3 078</b>	<b>1 344</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>4 890</b>	<b>23 338</b>
Unauthorised expenditure	<u>8</u>	-	22 011
Cash and cash equivalents	<u>9</u>	1 373	651
Receivables	<u>10</u>	3 517	676
<b>Non-current assets</b>			
Receivables	<u>10</u>	-	-
<b>TOTAL ASSETS</b>		<b>4 890</b>	<b>23 338</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>4 714</b>	<b>23 329</b>
Voted funds to be surrendered to the Revenue Fund	<u>11</u>	549	22 918
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>12</u>	200	99
Payables	<u>13</u>	3 965	312
<b>Non-current liabilities</b>			
Payables	<u>13</u>	-	-
<b>TOTAL LIABILITIES</b>		<b>4 714</b>	<b>23 329</b>
<b>NET ASSETS</b>		<b>176</b>	<b>9</b>

	Note	2019/20 R'000	2018/19 R'000
<b>Represented by:</b>			
Capitalisation reserve			
Recoverable revenue		176	9
Retained funds			
Revaluation reserves			
<b>TOTAL</b>		<b>176</b>	<b>9</b>

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)**

**VOTE 04**

**STATEMENT OF CHANGES IN NET ASSETS**

**for the year ended 31 March 2020**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		9	53
Transfers:		167	(44)
Debts recovered (included in departmental receipts)		<u>(1 288)</u>	<u>(44)</u>
Debts raised		<b><u>1 455</u></b>	<u>-</u>
Closing balance		<u>176</u>	<u>9</u>
<b>TOTAL</b>		<b><u>176</u></b>	<b><u>9</u></b>

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)**

**VOTE 04**

**CASH FLOW STATEMENT**

**for the year ended 31 March 2020**

	<i>Note</i>	<b>2019/20</b> <b>R'000</b>	<b>2018/19</b> <b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>608 543</b>	<b>525 387</b>
Annual appropriated funds received	<u>1</u>	606 014	524 163
Departmental revenue received	<u>2</u>	1 833	605
Interest received	<u>2.2</u>	696	619
Net (increase)/decrease in working capital		812	45
Surrendered to Revenue Fund		(3 335)	(1 468)
Current payments		(543 050)	(484 092)
Payments for financial assets	<u>5</u>	(285)	(58)
Transfers and subsidies paid		(23 224)	(33 607)
<b>Net cash flow available from operating activities</b>	<u>14</u>	<b>39 461</b>	<b>6 207</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>7</u>	(38 906)	(6 353)
Proceeds from sale of capital assets	<u>2.3</u>	-	67
<b>Net cash flows from investing activities</b>		<b>(38 906)</b>	<b>(6 286)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		167	(44)
<b>Net cash flows from financing activities</b>		<b>167</b>	<b>(44)</b>
Net increase/(decrease) in cash and cash equivalents		722	(123)
Cash and cash equivalents at beginning of period		651	774
<b>Cash and cash equivalents at end of period</b>	<u>9</u>	<b>1 373</b>	<b>651</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

PART A: ACCOUNTING POLICIES

Financial Statement Presentation par .03

Summary of significant accounting policies	
<b>[Concepts and Principles, Financial Statement Presentation]</b>	
The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.	
The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.	
Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
<b>7.3</b>	<b>Accrued departmental revenue</b> Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <input type="checkbox"/> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and <input type="checkbox"/> the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.
<b>8.1.2</b>	<b>Social contributions</b> Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
<b>8.2</b>	<b>Other expenditure</b> Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
<b>8.3</b>	<b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<b>Operating leases</b> Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
<b>8.4.2</b>	<b>Finance leases</b> Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <input type="checkbox"/> cost, being the fair value of the asset; or <input type="checkbox"/> the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<b>Aid assistance received</b> Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
<b>9.2</b>	<b>Aid assistance paid</b> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
<b>10</b>	<b>Cash and cash equivalents</b> Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
<b>11</b>	<b>Prepayments and advances</b> Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments and advances are expensed and under what circumstances.>
<b>12</b>	<b>Loans and receivables</b> Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

<b>13</b>	<b>Investments</b> Investments are recognised in the statement of financial position at cost.
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<b>Financial assets (not covered elsewhere)</b> A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
<b>14.2</b>	<b>Impairment of financial assets</b> Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
<b>15</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
<b>16.2</b>	<b>Movable capital assets</b> Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. <i>[Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]</i> Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
<b>16.3</b>	<b>Intangible assets</b> Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
<b>16.4</b>	<b>Project Costs: Work-in-progress</b> Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<b>Provisions</b> Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
<b>17.2</b>	<b>Contingent liabilities</b> Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
<b>17.3</b>	<b>Contingent assets</b> Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
<b>17.4</b>	<b>Capital commitments</b> Capital commitments are recorded at cost in the notes to the financial statements.
<b>18</b>	<b>Unauthorised expenditure</b> Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: <input type="checkbox"/> approved by Parliament or the Provincial Legislature with funding and the related funds are received; or <input type="checkbox"/> approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or <input type="checkbox"/> transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
<b>19</b>	<b>Fruitless and wasteful expenditure</b> Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
<b>20</b>	<b>Irregular expenditure</b> Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
<b>21</b>	<b>Changes in accounting estimates and errors</b> Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
<b>22</b>	<b>Events after the reporting date</b> Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
<b>23</b>	<b>Principal-Agent arrangements</b> The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

24	<p><b>Departures from the MCS requirements</b></p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>
25	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p><b>Inventories (Effective from date determined in a Treasury Instruction)</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p><b>Employee benefits</b></p> <p><i>[Provisions and Contingents]</i></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p><b>Transfers of functions</b></p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p><b>Mergers</b></p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1 Annual Appropriation

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

	2019/20			2018/19	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
1. Administration	144 067	144 067	-	125 836	125 836
2. Local Governance	209 779	209 779	-	205 377	205 377
3. Development and Planning	84 043	84 043	-	56 730	56 730
4. Traditional Institutional Management	146 318	146 318	-	114 985	114 985
5. The House of Traditional Leaders	21 807	21 807	-	21 235	21 235
<b>Total</b>	<b>606 014</b>	<b>606 014</b>	<b>-</b>	<b>524 163</b>	<b>524 163</b>

1.2 Conditional grants

Note 28

2019/20

2018/19

R'000

R'000

Total grants received

2 251

2 306

2. Departmental revenue

Note

2019/20

2018/19

R'000

R'000

Sales of goods and services other than capital assets

2.1

405

385

Interest, dividends and rent on land

2.2

696

619

Sales of capital assets

2.3

-

67

Transactions in financial assets and liabilities

2.4

1 428

220

Total revenue collected

2 529

1 291

Less: Own revenue included in appropriation

-

-

**Departmental revenue collected**

**2 529**

**1 291**

2.1 Sales of goods and services other than capital assets

Note

2019/20

2018/19

2

R'000

R'000

Sales of goods and services produced by the department

Sales by market establishment

405

385

Administrative fees

Other sales

Sales of scrap, waste and other used current goods

**Total**

**405**

**385**

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

2.2 Interest, dividends and rent on land

	Note	2019/20	2018/19
	2	R'000	R'000
Interest		696	619
Dividends			
Rent on land			
<b>Total</b>		<b>696</b>	<b>619</b>

2.3 Sale of capital assets

	Note	2019/20	2018/19
	2	R'000	R'000
<b>Tangible assets</b>			
Machinery and equipment	25.2	-	67
<b>Total</b>		<b>-</b>	<b>67</b>

2.4 Transactions in financial assets and liabilities

	Note	2019/20	2018/19
	2	R'000	R'000
Receivables		103	143
Other Receipts including Recoverable Revenue		1 325	77
<b>Total</b>		<b>1 428</b>	<b>220</b>

The other receipts amount of R1 325 million is inclusive of R1 288 million recovered from PMDS payments.

3. Compensation of employees

3.1 Salaries and Wages

	Note	2019/20	2018/19
		R'000	R'000
Basic salary		244 675	233 989
Performance award		6 558	9 122
Service Based		269	215
Compensative/circumstantial		5 321	4 131
Periodic payments		1 965	2 082
Other non-pensionable allowances		98 646	93 909
<b>Total</b>		<b>357 434</b>	<b>343 448</b>

Other non-pensionable allowances consist of expenditure for housing allowance and services bonuses.

3.2 Social contributions

	Note	2019/20	2018/19
		R'000	R'000
<b>Employer contributions</b>			
Pension		30 886	29 461
Medical		20 657	19 763
UIF		19	22
Bargaining council		73	69
Insurance		62	-
<b>Total</b>		<b>51 697</b>	<b>49 315</b>
<b>Total compensation of employees</b>		<b>409 131</b>	<b>392 763</b>
Average number of employee		783	793

Included in the average number of employees 783 is 727 permanent employees, 29 contracted officials and 27 political employees.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

**4. Goods and services**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		654	591
Advertising		1 244	723
Minor assets	<u>4.1</u>	602	209
Catering		2 637	2 056
Communication		7 650	8 165
Computer services	<u>4.2</u>	278	274
Consultants: Business and advisory services		23 141	26 176
Infrastructure and planning services		3 269	2 005
Legal services		735	1 489
Contractors		1 032	930
Audit cost – external	<u>4.3</u>	3 366	3 584
Fleet services		3 050	3 420
Inventory	4.4	38 528	201
Consumables	4.5	4 592	3 001
Operating leases		13 795	11 190
Property payments	<u>4.6</u>	7 121	5 568
Travel and subsistence	<u>4.7</u>	18 545	18 466
Venues and facilities		486	720
Training and development		2 621	1 667
Other operating expenditure	<u>4.8</u>	573	894
<b>Total</b>		<b><u>133 919</u></b>	<b><u>91 329</u></b>

**4.1 Minor assets**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
	<u>4</u>	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>			
Machinery and equipment		602	209
<b>Total</b>		<b><u>602</u></b>	<b><u>209</u></b>

**4.2 Computer services**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
	<u>4</u>	<b>R'000</b>	<b>R'000</b>
SITA computer services		113	116
External computer service providers		165	158
<b>Total</b>		<b><u>278</u></b>	<b><u>274</u></b>

**4.3 Audit cost – External**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
	<u>4</u>	<b>R'000</b>	<b>R'000</b>
Regularity audits		3 366	3 584
<b>Total</b>		<b><u>3 366</u></b>	<b><u>3 584</u></b>

**4.4 Inventory**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
	<u>4</u>	<b>R'000</b>	<b>R'000</b>
Clothing material and accessories		184	201
Materials and supplies		38 344	-
<b>Total</b>		<b><u>38 528</u></b>	<b><u>201</u></b>

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4.4 Consumables

	Note	2019/20	2018/19
	4	R'000	R'000
Consumable supplies		1 159	630
Uniform and clothing		44	128
Household supplies		1 087	463
Building material and supplies		7	30
IT consumables		14	9
Other consumables		7	-
Stationery, printing and office supplies		3 433	2 371
<b>Total</b>		<b>4 592</b>	<b>3 001</b>

4.5 Property payments

	Note	2019/20	2018/19
	4	R'000	R'000
Municipal services		4 996	4 329
Property maintenance and repairs		2 125	1 239
<b>Total</b>		<b>7 121</b>	<b>5 568</b>

4.6 Travel and subsistence

	Note	2019/20	2018/19
	4	R'000	R'000
Local		18 545	18 466
<b>Total</b>		<b>18 545</b>	<b>18 466</b>

4.7 Other operating expenditure

	Note	2019/20	2018/19
	4	R'000	R'000
Professional bodies, membership and subscription fees		40	-
Other		533	894
<b>Total</b>		<b>573</b>	<b>894</b>

Other operating expenditure includes courier & delivery services, non-life insurance premium and Printing & Publications services.

5. Payments for financial assets

	Note	2019/20	2018/19
		R'000	R'000
Debts written off	5.1	285	58
<b>Total</b>		<b>285</b>	<b>58</b>

5.1 Debts written off

	Note	2019/20	2018/19
	5	R'000	R'000
<b>Nature of debts written off</b>			
Headmen /Women		29	-
(DPSA)		256	-
EPWP (Contract Employees)		-	58
<b>Total</b>		<b>285</b>	<b>58</b>

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6. Transfers and subsidies

		2019/20 R'000	2018/19 R'000
Provinces and municipalities	Note 29	34	155
Public corporations and private enterprises		-	10 532
Non-profit institutions	Annexure 1	20 775	22 188
Households	Annexure 2	2 415	732
<b>Total</b>		<b>23 224</b>	<b>33 607</b>

7. Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>		38 906	6 353
Buildings and other fixed structures	27.1	527	5 396
Machinery and equipment	25.1	38 379	957
<b>Total</b>		<b>38 906</b>	<b>6 353</b>

Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Buildings and other fixed structures	527	-	527
Heritage assets			
Machinery and equipment	38 379	-	38 379
<b>Total</b>	<b>38 906</b>	<b>-</b>	<b>38 906</b>

Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	6 353	-	6 353
Buildings and other fixed structures	5 396	-	5 396
Machinery and equipment	957	-	957
<b>Total</b>	<b>6 353</b>	<b>-</b>	<b>6 353</b>

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		22 011	22 011
Prior period error			
As restated		22 011	22 011
Unauthorised expenditure – discovered in current year (as restated)			
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Capital		-	-
Current		-	-
Transfers and subsidies			
Less: Amounts written off		(22 011)	-
<b>Closing balance</b>		<b>-</b>	<b>22 011</b>

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Analysis of closing balance

Unauthorised expenditure awaiting authorisation	-	22 011
Unauthorised expenditure approved without funding and not derecognised	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>22 011</b>

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2019/20	2018/19
	R'000	R'000
Capital	-	17 274
Current	-	4 737
Transfers and subsidies	-	-
<b>Total</b>	<b>-</b>	<b>22 011</b>

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2019/20	2018/19
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	-	22 011
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
<b>Total</b>	<b>-</b>	<b>22 011</b>

9. Cash and cash equivalents

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General Account		4 751	647
Cash receipts		-	-
Disbursements		(3 383)	-
Cash on hand		5	4
<b>Total</b>		<b>1 373</b>	<b>651</b>

10. Receivables

	Note	2019/20			2018/19		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	236	-	236	624	-	624
Recoverable expenditure	10.2	176	-	176	9	-	9
Staff debt	10.3	53	-	53	33	-	33
Fruitless and wasteful expenditure	10.4	1	-	1	-	-	-
Other receivables	10.5	3 051	-	3 051	10	-	10
<b>Total</b>		<b>3 517</b>	<b>-</b>	<b>3 517</b>	<b>676</b>	<b>-</b>	<b>676</b>

10.1 Claims recoverable

	Note	2019/20	2018/19
		R'000	R'000
National departments	10.1 and Annex 6	-	256
Provincial departments		236	368
<b>Total</b>		<b>236</b>	<b>624</b>

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10.2 Recoverable expenditure (disallowance accounts)

	Note	2019/20	2018/19
	10	R'000	R'000
Ex-Employees		9	9
Employees		167	-
(Group major categories, but list material items)			
<b>Total</b>		<b>176</b>	<b>9</b>

10.3 Staff debt

	Note	2019/20	2018/19
	10	R'000	R'000
Staff Debtors		53	5
Ex-Employees		-	28
<b>Total</b>		<b>53</b>	<b>33</b>

10.4 Other receivables

	Note	2019/20	2018/19
	10	R'000	R'000
Traditional Leaders (Headman/Woman)		9	10
Supplier		3 042	-
<b>Total</b>		<b>3 051</b>	<b>10</b>

10.5 Fruitless and wasteful expenditure

	Note	2019/20	2018/19
	10	R'000	R'000
Opening balance			-
Less amounts recovered			(17)
Less amounts written off			
Transfers from note 32 Fruitless and Wasteful Expenditure		1	17
Interest		-	-
<b>Total</b>		<b>1</b>	<b>-</b>

11. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		22 918	23 044
Prior period error		-	-
As restated		22 918	23 044
Transfer from statement of financial performance (as restated)		549	53
Add: Unauthorised expenditure for current year		(22 011)	
Voted funds not requested/not received		-	-
Paid during the year		(907)	(179)
<b>Closing balance</b>		<b>549</b>	<b>22 918</b>

12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		99	97
Prior period error		-	-
As restated		99	97
Transfer from Statement of Financial Performance (as restated)		2 529	1 291
Own revenue included in appropriation			
Paid during the year		(2 428)	(1 289)
<b>Closing balance</b>		<b>200</b>	<b>99</b>

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13. Payables – current

	Note	2019/20	2018/19
		R'000	R'000
Clearing accounts	13.1	3 965	312
<b>Total</b>		<b>3 965</b>	<b>312</b>

13.1 Clearing accounts

	Note	2019/20	2018/19
		R'000	R'000
Description	13.		
Sal ACB Account		35	8
Disallowance Miscellaneous		3 133	-
Sal Income Tax		604	250
Sal GEHS Refund		185	35
Sal Pension Fund		6	19
Sal UIF		2	-
<b>Total</b>		<b>3 965</b>	<b>312</b>

14. Net cash flow available from operating activities

	Note	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		3 078	1 344
Add back non cash/cash movements not deemed operating activities		<b>36 383</b>	<b>4 863</b>
(Increase)/decrease in receivables		(2 841)	(241)
(Increase)/decrease in other current assets		22 011	-
Increase/(decrease) in payables – current		3 653	286
Proceeds from sale of capital assets		-	(67)
(Increase)/decrease in other financial assets			
Expenditure on capital assets		38 906	6 353
Surrenders to Revenue Fund		(3 335)	(1 468)
Own revenue included in appropriation			
Other non-cash items		(22 011)	-
<b>Net cash flow generated by operating activities</b>		<b>39 461</b>	<b>6 207</b>

15. Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General account		4 751	647
Cash receipts			
Disbursements		(3 383)	-
Cash on hand		5	4
<b>Total</b>		<b>1 373</b>	<b>651</b>

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

	Note	2019/20	2018/19
		R'000	R'000
<b>Liable to</b>			
<b>Nature</b>			
Claims against the department	Annex 5	40 883	40 781
Intergovernmental payables (unconfirmed balances)	Annex 6	5 419	5 419
<b>Total</b>		<b>46 302</b>	<b>46 200</b>

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16.2 Contingent assets

	Note	2019/20 R'000	2018/19 R'000
<b>Nature of contingent asset</b>			
Counter claim (Stemashan Sphephelo VS MEC & HOD)		13 249	13 249
<b>Total</b>		<b>13 249</b>	<b>13 249</b>

The Department is not aware or privy to any information that will determine the outcome of the matters above in favour or against the department

17. Capital commitments

	Note	2019/20 R'000	2018/19 R'000
<b>Specify class of asset</b>			
Other Building and Fixed Structure		2 289	92
Transport Equipment		2 094	-
<b>Total</b>		<b>4 383</b>	<b>92</b>

There was a change in the accounting policy, the MCS no longer requires disclosure for current commitments.

18. Accruals and payables not recognised

18.1 Accruals

			2019/20 R'000	2018/19 R'000	
<b>Listed by economic classification</b>					
		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	3	1 202	48	1 250	1 589
Interest and rent on land		-	-	-	-
Transfers and subsidies		-	-	-	-
Capital assets		-	-	-	160
Other		323	-	323	208
<b>Total</b>		<b>1 525</b>	<b>48</b>	<b>1 573</b>	<b>1 957</b>

	Note	2019/20 R'000	2018/19 R'000
<b>Listed by programme level</b>			
1 Administration		1 154	1 513
2 Local Governance		218	133
3 Development and Planning		125	86
4 Traditional Institution Management		42	17
5 The House of Traditional		34	208
<b>Total</b>		<b>1 573</b>	<b>1 957</b>

18.2 Payables not recognised

		2019/20 R'000	2018/19 R'000		
<b>Listed by economic classification</b>					
		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services		39	14	53	1 408
Transfers and subsidies		112	-	112	
Other		396	-	396	325
<b>Total</b>		<b>547</b>	<b>14</b>	<b>561</b>	<b>1 733</b>

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	Note	2019/20 R'000	2018/19 R'000
<b>Listed by programme level</b>			
1. Administration		38	978
2. Local Governance		9	192
3. Development and Planning		-	20
4. Traditional Institutional Management		509	524
5. The House of Traditional		5	19
<b>Total</b>		<b>561</b>	<b>1 733</b>

	Note	2019/20 R'000	2018/19 R'000
<b>Included in the above totals are the following:</b>			
Confirmed balances with other departments	Annex 7	38	90
Confirmed balances with other government entities	Annex 7		
<b>Total</b>		<b>38</b>	<b>90</b>

**19. Employee benefits**

	Note	2019/20 R'000	2018/19 R'000
Leave entitlement		25 544	22 757
Service bonus		10 696	10 156
Performance awards		3 251	9 122
Capped leave		12 703	12 952
Other		-	-
<b>Total</b>		<b>52 194</b>	<b>54 987</b>

At this stage the Department is not able to reliably measure the long term portion of the Long Service Awards.

Negative leave reconciliation for the current year leave entitlement balance is inclusive of negative leave of **R 0.048 million** and leave instated after effective date of **R 0.181 million**.

The provision for the performance awards is based on the 0.75% limit of the COE budget for 2020/21 as directed by DPSA.

**20. Lease commitments**

**20.1 Operating leases**

	Buildings and other fixed structures	Machinery and equipment	Total
2019/20	R'000	R'000	R'000
Not later than 1 year	13 377	451	13 828
Later than 1 year and not later than 5 years	47 959	229	48 188
Later than five years			
<b>Total lease commitments</b>	<b>61 336</b>	<b>680</b>	<b>62 016</b>

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2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year		-	10 649	459	11 108
Later than 1 year and not later than 5 years			52 192	261	52 453
Later than five years					
<b>Total lease commitments</b>			<b>62 841</b>	<b>720</b>	<b>63 561</b>

The Operating lease commitments on office buildings includes a 6% per annum escalation on a yearly basis.

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		10 667	7 660
Prior period error			-
As restated			
Add: Irregular expenditure – relating to prior year		-	3 007
Add: Irregular expenditure – relating to current year		-	-
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Prior year amounts not condoned and removed		-	-
Less: Current year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)	15	-	-
Less: Amounts written off		-	-
<b>Closing balance</b>		<b>10 667</b>	<b>10 667</b>

Analysis of awaiting condonation per age classification

Current year	-	3 007
Prior years	10 667	7 660
<b>Total</b>	<b>10 667</b>	<b>10 667</b>

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		-	60
Prior period error			-
As restated			<b>60</b>
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year		19	17
Less: Amounts recoverable	10.5	(13)	(77)
Less: Amounts written off		(1)	-
<b>Closing balance</b>		<b>5</b>	<b>-</b>

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**22.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2019/20</b>
		<b>R'000</b>
1. Hotel no show	Transferred to Recovery	13
2. Hotel no show	Under Investigation	5
3. Interest	Interest reversed by Supplier	1
<b>Total</b>		<b>19</b>

**22.3 Details of fruitless and wasteful expenditure recoverable**

<b>Incident</b>	<b>2019/20</b>
	<b>R'000</b>
Hotel no show	14
<b>Total</b>	<b>14</b>

*Include discussion here where deemed relevant*

**22.4 Details of fruitless and wasteful expenditure written off**

<b>Incident</b>	<b>2019/20</b>
	<b>R'000</b>
Interest reversed by supplier	1
<b>Total</b>	<b>1</b>

**23. Related party transactions**

- The Department received services from MP Department of PWRT for office building provided free of charge**
- IT services from Provincial Treasury**
- Shared Services for Internal Audit and Audit Committee from OTP free of charge**
- Job evaluation services from MP OTP free of charge**
- Received Interns from SSETA free of charge**
- Drafting and making Lease contracts on building from MP Department of PWRT**
- Received Interns from CETA free of charge**
- Security services from the MP DCSSL**

**24. Key management personnel**

	<b>No. of Individuals</b>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	2	2 027	2 040
Level 14 (incl .CFO if at a lower level )	2	1 681	1 591
PA to the MEC	8	8 615	6 831
Family members of key management personnel	3	1 796	1 066
<b>Total</b>	<b>2</b>	<b>823</b>	<b>804</b>
<b>Total</b>	<b>17</b>	<b>14 942</b>	<b>12 332</b>

The number of individuals included in the calculations have increased due to officials leaving the department, acting appointments and additional senior staff in the Office of the MEC.

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25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>35 378</b>	<b>-</b>	<b>38 595</b>	<b>(708)</b>	<b>73 265</b>
Transport assets	15 688	-	32 812	-	48 500
Computer equipment	6 844	-	5 197	(202)	11 839
Furniture and office equipment	7 106	-	425	(506)	7 025
Other machinery and equipment	5 740	-	161	-	5 901
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>35 378</b>	<b>-</b>	<b>38 595</b>	<b>(708)</b>	<b>73 265</b>

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>38 379</b>	<b>267</b>	<b>-</b>	<b>(51)</b>	<b>38 595</b>
Transport assets	32 545	267	-	-	32 812
Computer equipment	5 197	-	-	-	5 197
Furniture and office equipment	476	-	-	(51)	425
Other machinery and equipment	161	-	-	-	161
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>38 379</b>	<b>267</b>	<b>-</b>	<b>(51)</b>	<b>38 595</b>

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>40</b>	<b>668</b>	<b>708</b>	<b>-</b>
Transport assets	-	-	-	-
Computer equipment	40	162	202	-
Furniture and office equipment	-	506	506	-
Other machinery and equipment	-	-	-	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>40</b>	<b>668</b>	<b>708</b>	<b>-</b>

25.3 Movement for 2018/19

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>37 697</b>	<b>-</b>	<b>2 312</b>	<b>4 631</b>	<b>35 378</b>
Transport assets	18 453	-	1 265	4 030	15 688
Computer equipment	6 713	-	470	339	6 844
Furniture and office equipment	6 845	-	407	146	7 106
Other machinery and equipment	5 686	-	170	116	5 740
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>37 697</b>	<b>-</b>	<b>2 312</b>	<b>4 631</b>	<b>35 378</b>

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25.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	11 820	-	11 825
Additions	-	-	-	448	-	448
Disposals	-	-	-	(764)	-	(764)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>11 504</b>	<b>-</b>	<b>11 509</b>

	Specialised mili- tary assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	2	-	7 516	-	7 518
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>7 516</b>	<b>-</b>	<b>7 518</b>

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	6	-	11 775	-	11 781
Additions	-	-	-	363	-	363
Disposals	-	(1)	-	(318)	-	(319)
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>11 820</b>	<b>-</b>	<b>11 825</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	2	-	8 277	-	8 279
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>8 277</b>	<b>-</b>	<b>8 279</b>

25.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	120	-	120
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>120</b>

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	161	-	161
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>161</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

25.6 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	57	-	57
Value of the assets (R'000)	-	-	-	29 845	-	29 845

MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

MINOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	7 000	-	-	-	7 000
TOTAL INTANGIBLE CAPITAL ASSETS	7000	-	-	-	7000

26.1 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	7 000	-	-	-	7 000
TOTAL INTANGIBLE CAPITAL ASSETS	7 000	-	-	-	7 000

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>					
Dwellings					
Non-residential buildings					
Other fixed structures	-	-	1 587	(1 311)	276
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>1 587</b>	<b>(1 311)</b>	<b>276</b>

27.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>					
Other fixed structures	527	1 060	-	-	1 587
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>527</b>	<b>1 060</b>	<b>-</b>	<b>-</b>	<b>1 587</b>

27.2 Disposal

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Dwellings				
Non-residential buildings				
Other fixed structures	-	1 311	1 311	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>1 311</b>	<b>1 311</b>	<b>-</b>

27.3 Movement for 2018/19

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>					
Other fixed structures	-	-	63 393	(63 393)	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>63 393</b>	<b>(63 393)</b>	<b>-</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

27.4 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note Annexure 9	Opening balance 1 April 2019 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing bal- ance 31 March 2020 R'000
Buildings and other fixed structures		1 060	-	1 060	-
Machinery and equipment					
<b>TOTAL</b>		<b>1 060</b>	<b>-</b>	<b>1 060</b>	<b>-</b>

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Note Annexure 9	Opening balance 1 April 2018 R'000	Prior peri- od error R'000	Current Year WIP R'000	Ready for use (Assets to the AR ) / Contracts terminated R'000	Closing balance 31 March 2019 R'000
Buildings and other fixed structures		59 097	-	1 060	(59 097)	1 060
<b>TOTAL</b>		<b>59 097</b>	<b>-</b>	<b>1 060</b>	<b>(59 097)</b>	<b>1 060</b>

Age analysis on ongoing projects

	Number of projects		2018/19 Total R'000
	Planned, not started	Construction started	
0 to 1 Year	-	1	1 060
<b>Total</b>	<b>-</b>	<b>1</b>	<b>1 060</b>

IMMOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
Assets written off	40	-	-	40
<b>TOTAL IMMOVABLE ASSETS WRITTEN OFF</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>40</b>

27.6 S42 Immovable assets

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

Assets to be transferred in terms of S42 of the PFMA – 2018/19

	Number of assets	Value of assets R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>		
Other fixed structures	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

**BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE**

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

The department appointed an independent service provider to conduct an assessment of B-BBEE Compliance and managed to receive 100% compliance in the 2018/19 Financial Year Assessment. The assessment for the period under review (2019/20) is currently ongoing and it is estimated that the full report will be submitted to management by end of September 2020.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

UNAUDITED - ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 1

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Traditional Council	21 000	-	(225)	20 775	20 775	100%	22 188
<b>TOTAL</b>	<b>21 000</b>	<b>-</b>	<b>(225)</b>	<b>20 775</b>	<b>20 775</b>	<b>100%</b>	<b>22 188</b>

ANNEXURE 2

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	5 210	-	(2 795)	2 415	2 415	100%	737
<b>TOTAL</b>	<b>5 210</b>	<b>-</b>	<b>(2 795)</b>	<b>2 415</b>	<b>2 415</b>	<b>100%</b>	<b>737</b>

ANNEXURE 3

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
		R'000	R'000
Received in cash			
DPSA	Land Use Management System	-	949
LGSETA	Fire Project	50	-
<b>TOTAL</b>		<b>50</b>	<b>949</b>

ANNEXURE 4

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
EPWP	-	-	610	169	181	183	177	178	179	162	173	155	2 167
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>610</b>	<b>169</b>	<b>181</b>	<b>183</b>	<b>177</b>	<b>178</b>	<b>179</b>	<b>162</b>	<b>173</b>	<b>155</b>	<b>2 167</b>

ANNEXURE 5

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details here-under)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
1 STEMASHAN SPHEPHELO VS MEC & HOD	24 708	-	-	-	24 708
2 SN THWALA (NNO&3 OTHERS VS MEC & MBOMBELA MAYOR	575	-	-	-	575
3 MANTALANE CONSTRUCTION CC VS RAND WATER & DEP COGTA	15 000	-	-	-	15 000
4 RO SIHLANGU VS THE MEC & 2 OTHERS	498	-	498	-	-
5 JL CHILLI VS THE MEC	-	600	-	-	600
<b>TOTAL</b>	<b>40 781</b>	<b>600</b>	<b>498</b>	<b>-</b>	<b>40 883</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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UNAUDITED - ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2020

ANNEXURE 6

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
<b>Department</b>								
1. MP DCSR	236	368	-	-	236	368	-	-
2. DPSA	-	256	-	-	-	256	-	-
3.MP DPWRT	-	-	289	-	289	-	-	-
<b>TOTAL</b>	<b>236</b>	<b>624</b>	<b>289</b>	<b>-</b>	<b>525</b>	<b>624</b>	<b>-</b>	<b>-</b>

ANNEXURE 7

INTER-GOVERNMENT PAYABLES

DEPARTMENTS/ GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20*	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		
<b>Current</b>								
1 National Department of Justice	-	90	-	-	-	90	-	-
2 Rand Water	-	-	5 419	5 419	5 419	5 419	-	-
3 MP PWRT	38	-	-	-	38	-	-	-
<b>TOTAL</b>	<b>38</b>	<b>90</b>	<b>5 419</b>	<b>5 419</b>	<b>5 457</b>	<b>5 509</b>	<b>-</b>	<b>-</b>

ANNEXURE 8

INVENTORIES

Inventories for the year ended 31 March 2020	Other inventory	Tarpaulins inventory	Insert major category of inventory	Insert major category of inventory	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	1 017	-	-	-	1 017
Add: Additions/Purchases – Cash	8 288	30 240	-	-	38 528
(Less): Issues	(3 204)	(11 409)	-	-	(14 613)
<b>Closing balance</b>	<b>6 101</b>	<b>18 831</b>	<b>-</b>	<b>-</b>	<b>24 932</b>

Inventories for the year ended 31 March 2019	Quantity	Other inventory	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	TOTAL
		R'000	R'000	R'000	R'000	R'000
Opening balance	7 164	19 830	-	-	-	19 830
Add/(Less): Adjustments to prior year balances	-	(4)	-	-	-	(4)
Add: Additions/Purchases – Cash	1 070	201	-	-	-	201
(Less): Issues	(7 352)	(19 010)	-	-	-	(19 010)
<b>Closing balance</b>	<b>882</b>	<b>1 017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 017</b>

Include discussion where deemed relevant

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)**

**VOTE 04**

**UNAUDITED - ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**

**for the year ended 31 March 2020**

**ANNEXURE 9**

**MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract termi- nated	Closing balance
	R'000	R'000	R'000	R'000

**BUILDINGS AND OTHER FIXED STRUCTURES**

Other fixed structures	1 060	-	(1 060)	-
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**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset regis- ter) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000

**BUILDINGS AND OTHER FIXED STRUCTURES**

Other fixed structures	59 097	-	1 060	(59 097)	1 060
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