



# ANNUAL REPORT

**2015 - 2016**



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



Mpumalanga Provincial  
House of Traditional Leaders



**MPUMALANGA**  
THE PLACE OF THE RISING SUN



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**PART A**  
**GENERAL INFORMATION**

## 1. DEPARTMENT GENERAL INFORMATION

### PHYSICAL ADDRESS:

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Mpumalanga Provincial Government Administration  
Head Office  
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1200

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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
BP	Business Plan
CFO	Chief Financial Officer
COGTA	Co-operative Governance and Traditional Affairs
CDW	Community Development Worker
CWP	Community Works Programme
CAPEX	Capital Expenditure
DARDLEA	Department of Agriculture Rural Development, Land Affairs and Environment
DCOG	Department of Co-operative Governance
DEDET	Department of Economic Development and Tourism
DIP	Detailed Implementation Plan
EPWP	Expanded Public Works Programme
HOD	Head of Department
MP	Member of Parliament
MPL	Member of Provincial Legislature
NA	National Assembly
NCOP	National Council of Provinces
OP	Operational Plan
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SAIGA	Southern African Institute of Government Auditors
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

### 3. FOREWORD BY THE MEC (2015/16)



**Ms Refilwe Mtshweni (MPL)**  
**MEC: Co-operative Governance  
and Traditional Affairs**

The department has obtained a clean audit for the 2014/15 financial year. This is an outcome of our commitment to good governance and strong financial management. This achievement attests to the effectiveness of the strong internal control systems we implemented as key requirements envisaged in the PFMA. A similar achievement in the 2013/14 financial year served as an impetus to replicate it in the financial year under review and in the future.

These two successive clean audits and the prestigious accolade of the Annual Public Sector Reporting Award bestowed to the department by the Southern African Institute of Government Auditors (SAIGA) signals our commitment to change the general negative perception of our spending of public funds into a positive narrative. We are working hard to sustain this achievement in the future.

2016 marks the end of the five year term of the Local Government leadership that was voted into office in May 2011. We salute all the Councillors who served their communities with distinction in various capacities as Ward Councillors, Members of Mayoral Committees, Speakers, and Chairpersons of committees established in line with the local government legislation. Notwithstanding challenges in the delivery of services during their term, their commitment has been recorded in the annals of our history. During their tenure, the delivery of water and sanitation increased, houses were electrified and streets were paved. These achievements are a solid foundation for the next leadership to build on as we march towards the National Development Plan (NDP) objectives and the aspirations of the Constitution.

The implementation of the Integrated Municipal Support Plan (IMSP), in line with the Back to Basics contributed to the reduction of the number of municipalities that were characterized as performing badly. Prior to the introduction of the IMSP ten municipalities were performing badly, whilst seven were rated on average and only one was rated high. With the IMSP, the number of municipalities performing badly was reduced to four, whilst those performing on average increased to eight and those whose performance was rated high increased to six. The IMSP focused on the following five pillars, namely:

- *Pillar 1: Basic Services: Creating conditions for decent living*
- *Pillar 2: Good Governance.*
- *Pillar 3: Public Participation (Putting People First)*
- *Pillar 4: Financial Management.*
- *Pillar 5: Building Institutional and Administration capability.*

The collective effort of the department, the Department of Water and Sanitation and our municipalities has produced the desired outcomes in the delivery of water to our communities during the year under review. A combined amount of **R2.7 billion** was contributed by national, provincial and local governments to accelerate the provision of water and sanitation services in the Province. With this allocation a total of 256 projects were supported. Remarkable access to water and sanitation and electrification of households has been recorded:

Water: 87% (1 032 235 out of 1 182 314) households now have access to water in the province.

Sanitation: 64% (760 985 out of 1 182 314) households now have access to sanitation.

Electricity: 85% (1 005 338 out of 1 182 314) households now have access to electricity.

Refuse Removal: 57% (673 931 out of 1 182 314) households now have access to refuse removal.

In Bushbuckridge Municipality, 14 new villages were reticulated. This contribution is as a result of the completion of Inyaka Dam Phase 1 project.

The department maintained a total of 23 460 work opportunities across all 18 local municipalities in the Province. These jobs, implemented in line with the EPWP and CWP programmes were the department's contribution to job creation as the ANC-led administration push-back the frontiers of poverty, unemployment and inequality. A total of **R2.6 million** was received by the Department as EPWP Incentive Grant towards job creation and the department managed to create 132 against the set target of 100 work opportunities, targeting 50 young people in each municipality i.e Nkomazi and Bushbuckridge municipalities.

We have delivered on our plan to hand over title deeds as an attempt to restore the dignity of our people. These title deeds were delivered to give effect to full ownership of the land where their houses are built. A total of **3 015 title deeds** were handed over to the rightful beneficiaries in three municipalities, namely Dundonald in Albert Luthuli, Matsulu A and C in Mbombela, including Boekenhouthoek-A and B in Thembisile Hani.

In our endeavour to strengthen the institution of traditional leadership, we purchased **Sixty(60)** new vehicles including **Two(2)** vehicles for Kings as tools of trade. This support will enable them to participate meaningfully in the development of their subjects in rural areas. Furthermore, the support sought to make the stipulation of Chapter 12 of the Constitution a reality, in recognition of traditional leadership. Four new offices for traditional councils were constructed during the financial year under review ,however they will be completed in the second quarter of 2016/17

The finalization of all 163 disputes and claims submitted to the Committee on Traditional Leadership Disputes and Claims is a major breakthrough of our contribution to close the chapter of instability within the Traditional Leadership Institution.

A circular stamp containing a handwritten signature, likely of Ms Refilwe Mtshweni (MPL).

**MS RM MTSHWENI (MPL)**  
**MEC for the Department of CoGTA**

**Date 31 July 2016**

#### 4. REPORT OF THE ACCOUNTING OFFICER



**Mr GS Ntombela**  
**Acting Head: Department of**  
**Co-operative Governance and**  
**Traditional Affairs**

##### Overview of the operations of the department

During the year under review, the Department continued to make progress towards support to Local Municipalities and Traditional Councils in delivering on their mandates through the Integrated Municipal Support Plan, amongst others the Department:

- Provided support to Emakhazeni, Thembisile and eMalahleni Local municipalities in terms of section 54 A (6)(a) of the Local Government Municipal Systems Act, by seconding a suitable person to act on vacant position of municipal manager. These posts in the above three municipalities have since been filled.
- Provided support to Traditional Councils with the construction of offices.
- Implemented the Expanded Public Works Program (EPWP) and in the process created 132 full time equivalent jobs.
- Completed construction of nine steel water reservoirs in Mbombela, Nkomazi and Bushbuckridge Local Municipalities.
- Handed over 3 015 Title Deeds to beneficiaries in Thembisile Hani (1 429); Chief Albert Luthuli (11) and Mbombela (1 575) Local Municipalities
- 23 460 CWP participants have been maintained in the Province
- Provided support to Traditional Councils to the purchase of vehicles for Traditional Leaders as part of the tools of trade.

##### Challenges

The department is faced with some challenges for the year under review and amongst others:

- Lack of stability both politically and administratively in some of our Local Municipalities continue to engender serious challenges in as far as service delivery is concerned.
- Poor financial viability continues to adversely affect our Local Municipalities in recruiting and retaining qualified technical professionals and CFOs.
- Failure by some of our Local Municipalities to spend on Municipal Infrastructure Grant (MIG) has led to poor service delivery.
- Disputes over chieftaincy arises amongst Traditional Leadership.

##### Overview of the financial results of the department

###### Departmental receipts

Departmental receipts	2015/2016			2014/2015		
	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	374	354	(20)	299	353	54
Interest, dividends and rent on land	953	698	254	991	831	(160)
Sale of capital assets	50	251	(200)	50	23	(27)
Financial transactions in assets and liabilities	30	770	739	24	294	270
<b>Total</b>	<b>1406</b>	<b>2073</b>	<b>667</b>	<b>1 364</b>	<b>1 501</b>	<b>137</b>

The department has no revenue producing activities except for bank interest, debt recovery and sale of scrapped assets through government auctions

## Programme Expenditure

Programme Name	2015/2016			2014/2015		
	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	116 755	116 703	52	102 678	102 546	130
Local Governance	151 447	151 327	120	152 847	152 839	8
Planning and Development	48 846	48 844	2	102 946	99 447	3 499
Traditional Institution Management	141 615	141 577	38	91 462	91 224	238
House of Traditional Leadership	17 629	17 629	0	15 154	15 025	130
<b>Total</b>	<b>476 292</b>	<b>476 080</b>	<b>212</b>	<b>465 087</b>	<b>461 081</b>	<b>4 006</b>

The Department's main appropriation for 2015/16 was R443.898 million and was adjusted to R476.292 million during the November adjustment appropriation compared to R465.087 million final appropriation in 2014/15.

The department spent R476.080 million or 100 per cent of the final adjusted budget as at 31 March 2016, compared to R461.081 million or 99.1 per cent in 2014/15. The department underspent by R0.212 million compared with R4.006 million or 0.09 per cent in 2014/15. As reported in notes 19 and 20 respectively of the Annual financial statements, total commitments for the year is R2.002 million (R11.727 million in 2014/15) and accrual is R1 773 million (R1.502 million in 2014/15).

The department did incur unauthorised, irregular and fruitless expenditure for the year under review amount to R1.1419M (Irregular expenditure)

### Programme 01:

Main appropriation was R111.500 million and the final adjusted budget was R116.755 million. The programme spent R116 703 million or 100 per cent compared with R100 722million or 100 per cent in 2014/15 financial year.

### Programme 02:

Main appropriation was R153.178 million and the final adjusted budget is R151.447 million. The programme spent R151.327 million or 100 per cent compared with R152.839 million or 100 per cent in 2014/15 financial year.

### Programme 03:

Main appropriation was R62.021 million and final adjusted budget is R48.846 million. The programme spent R48.844 million or 100 per cent compared with R99.447 million or 97 per cent in 2014/15 financial year.

### Programme 04

Main appropriation was R100.721 million and final adjusted budget is R141.615 million. The programme spent R141.577 million or 100 per cent compared with R91.224 million or 100 per cent in 2014/15 financial year.

### Programme 05

Main appropriation was R16.478 million and final adjusted budget is R17.629 million. The programme spent R17.629 million or 100 per cent compared with R15.024 million or 99 per cent in 2014/15 financial year.

### Virements / roll overs

During mid-term adjustment an additional amount of R32.394 million was added to the baseline of the department and R0.146 million was surrendered to the department of Community Safety and Liaison to cater for additional security requirements.

The budget adjustments effects have been reflected on the table below:

Description	Amount R'000	Programme
Additional amount for Ummemo and Operational Grants to Traditional Councils	8 540	Traditional Institutional Administration
Additional amount for procurement of vehicles (Tools of Trade) for Traditional Councils	24 000	Traditional Institutional Administration
Surrender on Goods and Services to Provincial Treasury	(146)	Administration
<b>TOTAL</b>	<b>32 394</b>	

### Virements

The following are the mid-term major Virements:

Description	Amount R'000	Programme
Additional amount for procurement of vehicles (Tools of Trade) for Traditional Councils (Programme 3:Development and Planning)	8 500	Traditional Institutional Administration
Additional amount for Construction and Refurbishment of Traditional Council Offices (Programme 2:Local Governance)	4 800	Traditional Institutional Administration
<b>TOTAL</b>	<b>13 300</b>	

## Post Adjustment Virements

VIREMENT SUMMARY					
FROM:			TO:		
PROGRAMME	ECONOMIC CLASSIFICATION	R'000	PROGRAMME	ECONOMIC CLASSIFICATION	R'000
Programme 2: Local Governance	Compensation of Employees	(500)	Programme 1: Administration	Payment for Capital Assets	4 663
Programme 4: Traditional Institutional Management		(2 362)		Transfers and Subsidies	873
	Payment for Capital Assets	(1 801)			
	Transfers and Subsidies	(873)			
Programme 2: Local Governance	Goods and Services	(26)	Programme 3: Development and Planning	Payment for Capital Assets	120
	Compensation of Employees	(94)	Programme 5 : The House of Traditional Leaders	Goods and Services	1 151
	Goods and Services	(965)			
<b>TOTAL</b>		<b>(6 807)</b>	<b>TOTAL</b>		<b>6 807</b>

### Programme 1: Administration (R5.536million)

#### a) Payment for capital Assets

An overall amount of R4.663 million is added to the baseline for this classification, R0.500 million from Programme 2 (Compensation of Employees) and R4.163 million from Programme 4 of which R2.362 million (Compensation of Employees) and R1.801 million from capital. This virement was affected in order to defray the expenditure for the procurement of pool vehicles to replace the ageing high maintenance cost fleet of the department.

#### b) Transfers and Subsidies

An amount of R0.873 million is added to this classification from Programme 4 under the same classification to defray the expenditure on Transfers to Households (leave gratuities) for officials who resigned from the department.

### Programme 3: Development and Planning (R0.120 million)

#### a) Payment for capital Assets

An amount of R0.120 million is added to this classification in order to defray the shortfall on the budget for retention fees on some of the Water Reservoir Projects from programme 2 (Compensation of Employees).

### Programme 5: The House of Traditional Leaders (R1.151 million)

#### a) Goods and Services

An overall amount of R1.151 million is added to this classification in order to defray the expenditure that has exceeded the budget as a result of the hosting of the Traditional Leaders Indaba from Programme 2 of which R0.186 million is from Compensation of Employees and R0.965 million from goods and services.

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). The department will continue providing support to Traditional Councils with the construction of four (4) new offices, renovation five(5) offices and refurbishment of the palaces for the two(2) Kings. Through the Integrated Municipal Support Plan, the department will assist municipalities to enhance service delivery.

### Public Private Partnerships

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

### Discontinued activities / activities to be discontinued

No discontinued activities

### Supply chain management

The department did not have unsolicited bid proposal for the 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 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 owners of business entities in our database against PERSAL system and communication with all departments and municipalities where we discover their employees in our database. 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 no-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 has processed the payment of accruals amounting to **R1 773 million** for the 2015/16 financial year during the 1<sup>st</sup> quarter of the new financial year (2016/17).

#### **Other**

There is no any other material fact or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this 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 statement 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 statement as set out in pages 139 to 201 has been approved by the Accounting Officer.



**GS Ntombela**  
**Acting Accounting Officer**  
**Department of COGTA**  
**Date: 31/05/2016**

## 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 2016.

Yours faithfully



**GS Ntombela**  
**Acting Accounting Officer**  
**Date 31/05/2016**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Responsive, accountable, effective, efficient and sustainable cooperative 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 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 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 Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2013)**

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.

### **7.1.14 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.

### **7.1.15 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.

### **7.1.16 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.

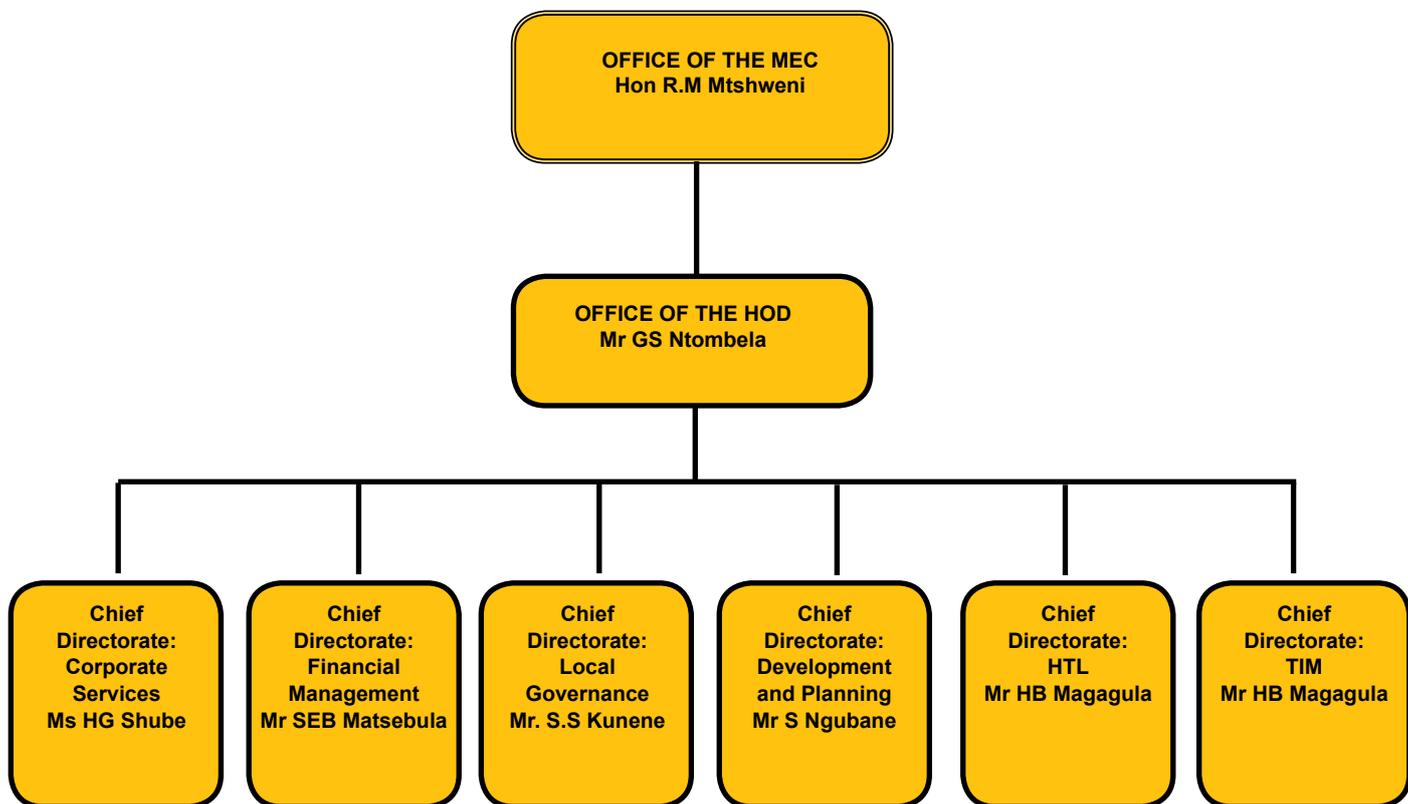
### **7.1.17 Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)**

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:**

- Traditional Leadership and Governance Framework Act, 2003(Act No. 41 of 2003)
- 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

## 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 2014/15 audit outcomes only two (2) out of twenty one (21) Municipalities in the Province received a clean audit outcome. 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 1 168 000 households as stated in the general household survey 2014, therefore an increased demand of basic services such as access to water was required. In order to meet the required demand the Department undertook a project to construct water reservoirs to increase additional water storage capacity thus enhancing the provision of water in the three municipalities namely; Mbombela, Bushbuckridge and Nkomazi. All the above mentioned projects have been completed in the financial year under review with the exception of the Casteel water reservoir in the Bushbuckridge Municipality.

Community unrest in most of the Municipal areas remains a challenge. In order to improve Ward level service delivery, the Department supported all 18 Local municipalities on the development of Ward level Database with community concerns and remedial actions produced. The Department further established a Functional Response Team to investigate root causes of protests in communities. 402 Ward Committees were supported on the review and implementation of their Ward Operational Plans. In an effort to bring services to the people, the Department supported Steve Tshwete Local municipality to establish Doornkop Thusong Service Centre.

The Province was faced with an increase in the number of informal settlements. In an effort to bring sustainable human settlements in the Province, the Department handed over 3 015 Title Deeds to beneficiaries in Thembisile Hani (1 429), Chief Albert Luthuli (11) and Mbombela (1 575) Local Municipalities.

The Department conducted 185 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 municipalities on the registration of Municipal Infrastructure Grant (MIG) funded projects for the provision of basic services such as water, sanitation, electricity & refuse removal and monitored the implementation thereof.

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

- Resolving Traditional disputes, claims and Land cases
- Convening Traditional Leaders Indaba
- Funding cultural ceremonies and the day to day administration of the Traditional Council offices
- Procurement and distribution of new vehicles as part of the tools of trade for 60 Traditional 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 402 Wards Committees in implementation of Ward Operational Plans	402 Wards Committees supported in implementation of Ward Operational Plans	402 Wards Committees supported in implementation of Ward Operational Plans
<b>Development and Planning</b>	Local Municipalities District Municipalities Sector Departments SALGA	21 Municipalities with responsive IDPs approved	21 municipalities supported with legal compliant IDPs	21 municipalities supported with legal compliant IDPs
<b>Traditional Institution Management</b>	Traditional Councils	Provision of tools of trade to 60 Traditional Councils	Vehicles provided as tools of trade to Traditional Councils	Vehicles provided as tools of trade to 60 Traditional Councils
<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	Departmental Newsletters
	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 telephones	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

## 2.3 Organisational environment

The department has appointed a new Acting Accounting Officer after the departure of Mr CM Chunda who was appointed at the beginning of the new administration. Currently the organisational structure is being reviewed in order to provide for a lean, focused and decentralised service delivery approach towards supporting municipalities. The structure will be aligned with the functional generic organisational structure developed by the Department of Public Administration. The review of the structure is also necessitated by the Executive Council directive to transfer the Land Use Management functions which were performed by the Department of Agriculture, Rural Development, Land and Environmental Affairs and also transfer the Municipal Finance Management functions which were performed by the Department to the Provincial Treasury. The process is in its final stage and the new structure will be implemented in the next financial year 2017/18.

The department has developed an integrated Municipal Support Plan (IMSP) in line with the B2B Framework in order to intensify its support to municipalities 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 the Department obtained a clean audit outcome in the 2014/15 financial year.
- ✓ Support was provided to 13 Municipalities on the implementation of Municipal Property Rates Act (MPRA)
- ✓ Municipalities were supported to comply with MSA regulation on the appointment of suitably qualified Senior Manager and roll out gender policy framework.
- ✓ Convened 2 Municipal Performance Review sessions 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 of MIG funded projects and monitored the implementation of the projects thereof. The Provincial MIG expenditure stands at 61% at the end of the 2015/16 financial year.
- ✓ Households with access to water is at 96% (1 032 235 out of 1 075 488)
- ✓ Households with access to sanitation is at 94% (1 007 535 out of 1 075 488)
- ✓ Households with access to electricity is at 92% (989 448 out of 1 075 488)
- ✓ Households with access to refuse removal is at 54% (597 135 Out of 1 075 488)

### **3. Promote social and economic development.**

- ✓ The Department maintained 19 000 jobs through the Community Works Programme in the Province.
- ✓ New 4 460 work opportunities created through CWP through the up-scaling processes across the sites (Umjindi, Emakhazeni, Victor Khanye, Dipaleseng and Lekwa).
- ✓ 132 work opportunities created 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 established a functional Response Team that investigated root causes of protests in communities.
- ✓ The Department compiled 4 quarterly reports on the number of community report back meetings that were convened by Councillors in each ward.
- ✓ 402 Ward Committees were supported on the implementation of their Ward Operational Plans.

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

- ✓ The Department conducted an assessment of all 21 Municipal Councils in terms of their performance oversight function (Section 79 and Section 80 committees).
- ✓ Monitored the effectiveness and stability of TROIKAs in executing their functions in all 21 Municipalities and provided support to municipalities with challenges.
- ✓ Supported 9 Municipalities to review their organograms in line with the generic Municipal framework.
- ✓ Supported 13 Municipalities on the implementation of the Municipal Property Rates Act (MPRA)

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

- ✓ The Department compiled 4 quarterly monitoring reports on Blue Drop and Green Drop compliance status of the Water Treatment Works (WTW) and Waste Water Treatment Works (WWTW) by municipalities.
- ✓ The Department supported and monitored 3 Municipalities on the "War-on-Leaks Program" interventions on municipal water works.
- ✓ The Department assessed 6 Municipalities on fire brigade services (Dipaliseng, Umjindi, Thaba Chweu, Victor Khanye, Emakhazeni and Pixley Ka Isaka Seme) and supported all 18 local municipalities in the Province to conduct 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 and IT services in accordance with the applicable Acts and policies of the department

#### **✓ List of Sub-programmes**

- ✓ Office of the MEC
- ✓ Corporate Services
  - 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 and administrative support to the Department

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

- ✓ Support was provided to the programmes of the Department of 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 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To provide effective financial, technical and administrative support to the Department	Clean Audit outcome obtained	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: Finance					
Performance Indicator	Actual Achievement 2014/2015	Planned Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
<b>Annual Financial Statement approved</b>	1 Annual Financial Statement approved	Annual Financial Statement approved	<b>Achieved</b> 1 Annual Financial Statement approved	None	None
<b>Approved Budget</b>	1 Main Budget approved	2016/17 Approved Budget	<b>Achieved</b> 2016/17 Budget approved	None	None
<b>Number of Monitoring reports on Risk Management</b>	Risk Management Plan approved	4 Monitoring Reports on Risk Management	<b>Achieved</b> 4 Monitoring Reports on Risk Management compiled	None	None

Programme: Administration Sub-programme: Human Resource Management					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
<b>HR Oversight Report approved</b>	4 HR Oversight Reports approved	2 HR Oversight Reports approved	<b>Achieved</b> 2 HR Oversight Reports approved (2014/15 HR Oversight and Mid-term 2015/16 HR Oversight)	None	None
<b>Reviewed Organizational Structure approved</b>	-	Reviewed Organizational Structure approved	<b>Achieved</b> Organizational Structure reviewed and approved	None	None
<b>Skills audit conducted</b>	-	Skills audit conducted	<b>Achieved</b> Skills audit conducted	None	None

Programme: Administration Sub-programme: Legal Services					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
<b>Number of Legal opinions provided</b>	4 Reports on legal services compiled	40 Legal opinions provided	<b>Achieved</b> 93 Legal opinions provided	53 Additional legal opinions provided	More requests for legal opinions were received
<b>Number of Legislations drafted</b>	-	2 Legislations drafted	<b>Achieved</b> 2 Legislations drafted	None	None

Programme: Administration Sub-programme: Security Management					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
<b>Approved Security Management Plan</b>	4 Reports on security management services compiled	Approved security management plan	<b>Achieved</b> 1 Security management plan approved	None	None

Programme: Administration Sub-programme: Planning and Programme Management					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Annual Performance Plan approved	2015/2016 Annual Performance Plan approved	2016/17 APP approved	<b>Achieved</b> 2016/2017 Annual Performance Plan approved	None	None
Annual Performance Report approved	2013/14 Annual Performance Report approved and submitted	Annual Performance Report approved	<b>Achieved</b> 2014/2015 Annual Performance Report approved and submitted	None	None
Annual Policy Review	-	Annual Policy Review	<b>Achieved</b> Annual policy Review held	None	None

Programme: Administration Sub-programme: Communication and IT Support					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Approved Communication Plan	Communication and IT Plan approved	Approved Communication Plan	<b>Achieved</b> Communication Plan approved	None	None
Approved IT Plan		IT Plan Approved	<b>Achieved</b> IT Plan approved	None	None

#### Reasons for deviations

- Additional 53 requests on legal opinions were received

#### 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 allocation for the programme R116 755 million had increased by a significant 12 per cent or R14 077 million in 2015/16 compared to R102 549 million in 2014/15. This is due to the procurement of vehicles to replace the ageing fleet of the department and office furniture for McAdams office Building. The programme has managed to spend 100 per cent of the allocation for 2015/16 and all the planned targets were achieved.

#### Sub-programme expenditure

Sub- Programme Name	2015/2016			2014/2015		
	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	8 821	8 817	4	7 125	7 119	6
Administration	107 934	107 866	48	95 553	95 427	126
<b>Total</b>	<b>116 755</b>	<b>116 703</b>	<b>52</b>	<b>102 678</b>	<b>102 549</b>	<b>132</b>

## 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 and oversight capacity of municipalities to perform their developmental responsibilities
- ✓ To promote good 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 and oversight capacity of five (5) Municipalities to perform their developmental responsibilities the Department supported municipalities to obtain suitable 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 seven (7) 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, 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 at five (5) Municipalities, the Department supported and monitored the functionality Ward Committees, Early warning systems, Ward operational plans implementation, Community report back meetings convened by Councillors.
- ✓ To facilitate public access to government information and services to communities through Thusong Service Centres the Department monitored the functionality of existing Thusong Service Centres and established 1 Thusong Service Centre at Steve Thswete Local municipality in the period under review.

**Strategic objectives:**

Programme Name: LOCAL GOVERNANCE					
Strategic objectives	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To strengthen the administrative and oversight capacity of municipalities to perform their developmental responsibilities	-	5 Municipalities with effective institutional arrangements	<b>Achieved</b> 5 municipalities with effective institutional arrangements (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa and Govan Mbeki)	None	None
	-	7 Municipalities with good governance practice	<b>Achieved</b> 7 Municipalities with good governance practice (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Steve Tshwete and Mbombela)	None	None
To promote governance and participatory democracy at local level	-	5 Municipalities with effective public participation programmes	<b>Achieved</b> 5 Municipalities with effective public participation programmes (Dr JS Moroka, Steve Tshwete, Bushbuckridge, Depalising and Dr Pixley Ka Isaka Seme)	None	None
To facilitate public access to government information and services to communities through Thusong Service Centres	-	16 Municipalities with public access to government information and services to communities	<b>Achieved</b> 16 Municipalities with public access to government information and services to communities (Nkomazi, Thaba Chweu, Bushbuckridge, eMakhazeni, eMalaheni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka Isaka Seme, Govan Mbeki, Depalising, Lekwa and Msukaligwa)	None	None

**Reasons for deviations**

None

**Performance indicators**

Programme: Local Governance Sub-programme: Municipal Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities assessed on signed Senior Management Performance Agreement	21 Municipalities assessed on the signed Performance Agreement for Senior Managers	21 Municipalities assessed on signed Senior Management Performance Agreement	<b>Achieved</b> 21 Municipalities' signed performance agreements for senior management, assessed and feedback provided to municipalities	None	None
Number of monitoring reports on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act	-	4 Monitoring reports on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act	<b>Achieved</b> 4 Monitoring reports on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act compiled	None	None
Number of Municipal Councils assessed in terms of their performance oversight function (s79)	21 Municipal Councils assessed in terms of their performance oversight function	21 Municipal Councils assessed in terms of their performance oversight function	<b>Achieved</b> 21 Municipal Councils assessed in terms of their performance oversight function	None	None

Programme: Local Governance					
Sub-programme: Municipal Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities monitored on effectiveness of S80 Committees	Municipal Council Committees functional in 21 Municipalities	21 Municipalities monitored on effectiveness of S80 Committees	<b>Achieved</b> 21 Municipalities monitored on effectiveness of S80 Committees	None	None
Number of monitoring reports on effectiveness and stability of the TROIKA in executing its functions	TROIKA in 21 Municipalities functional	4 Monitoring reports on effectiveness and stability of the TROIKA in executing its functions	<b>Achieved</b> 4 Monitoring reports on effectiveness and stability of the TROIKA in executing its functions compiled	None	None
Number of Municipalities supported to review organogram in line with generic Municipal Framework	10 municipalities supported to review organograms in line with generic Municipal Framework	9 Municipalities supported to review organogram in line with generic Municipal Framework	<b>Achieved</b> 9 Municipalities supported to review organogram in line with generic Municipal Framework. (Thaba Chweu, Dr Pixley ka Isaka Seme, Chief Albert Luthuli, Msukaligwa, Victor Khanye, Emakhazeni, Umjindi, Nkomazi and Mkhondo)	None	None
Number of Municipalities supported with the Approved Generic municipal By-laws in line with the Framework	18 Municipalities supported with the approved Generic Municipal By-laws in line with the Framework	9 Municipalities supported with the Approved Generic Municipal By-laws in line with the Framework	<b>Achieved</b> 9 Municipalities supported with the Approved Generic Municipal by-laws in line with the Framework ( Dr JS Moroka, Mkhondo, Dr Pixley Ka Isaka Seme, Victor Khanye, Dipaleseng, Chief Albert Luthuli, Msukaligwa, Emakhazeni and Lekwa)	None	None
Number of monitoring reports on actions taken to address Fraud and Corruption in municipalities	21 Municipalities supported with development of anti-corruption strategies and functional systems	4 Monitoring reports on actions taken to address Fraud and Corruption in municipalities	<b>Achieved</b> 4 Monitoring reports on actions taken to address Fraud and Corruption in municipalities compiled	None	None
Number of Municipalities supported on the implementation of MPRA	-	9 Municipalities supported on the implementation of MPRA	<b>Achieved</b> 13 Municipalities supported on the implementation of MPRA (Mbombela, Nkomazi, Emalahleni, Steve Tshwete, Emakhazeni, Dipaleseng, Mkhondo, Umjindi, Govan Mbeki, Chief Albert, Luthuli, Thaba Chweu, Lekwa and Dr Pixley ka Isaka Seme).	4 Additional municipalities were supported on the implementation of MPRA	The additional municipalities were supported through the Evaluation Appeal Board and the Government Forum
Number of reports on concurrence with National on the upper limits for Councillor benefits and allowances	-	1 Report for concurrence with National on the upper limits for Councillor benefits and allowances	<b>Achieved</b> 1 Report for concurrence with National on the upper limits for Councillor benefits and allowances compiled	None	None

### Sector Specific Performance Indicators

Programme: Local Governance					
Sub-programme: Municipal Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported to comply with MSA regulations	16 Municipalities compliant with competency criteria as per the MSA Amendment Act	21 Municipalities supported to comply with MSA regulations	<b>Achieved</b> 21 Municipalities supported to comply with MSA regulations	None	None
Number of municipalities supported to roll-out gender policy framework	-	21 Municipalities supported to roll-out gender policy framework	<b>Achieved</b> 21 Municipalities supported to roll-out gender policy framework	None	None

Programme: Local Governance					
Sub-programme: Inter Governmental Relations					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported on the readiness of local government elections	18 Municipalities supported on the readiness of local government elections	18 Municipalities supported on the readiness of local government elections	<b>Achieved</b> All 18 Local municipalities supported on the readiness of 2016 Local Government Elections	None	None
Number of IGR Forums held	3 Technical MUNIMAN Forums conducted	2 Technical MUNIMAN Forums held	<b>Achieved</b> 3 Technical MUNIMAN Forums held	1 Additional Technical MUNIMAN Forum held	There was a need for the third Forum to be held to discuss issues of amalgamation of Mbombela and Umjindi Local Municipalities
	3 MUNIMECs held	2 MUNIMEC Forums held	<b>Achieved</b> 2 MUNIMEC Forums held	None	None
Number of Monitoring Reports on the implementation of recommendations on the strengthening of IGR structures in District Municipalities	18 Municipalities supported on Inter-governmental Relations Framework (IGRF)	4 Monitoring Reports on the implementation of recommendations on the strengthening of IGR structures in District Municipalities	<b>Achieved</b> 4 Monitoring Reports on the implementation of recommendations on the strengthening of IGR structures in 3 District municipalities compiled	None	None

Programme: Local Governance					
Sub-programme: Public Participation					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Reports on effective Ward Committee System to deepen participatory democracy (Functional Ward Committee)	18 Municipalities supported on the functionality of Ward Committees	4 Reports on Effective Ward Committee System to deepen participatory democracy (Functional Ward Committee)	<b>Achieved</b> 4 Reports on the effective Ward Committee System to deepen participatory democracy (Functional Ward Committee) compiled	None	None
Number of Reports on effective early warning systems, updated ward profiles and public participation programmes implemented by CDWs	-	4 Reports on the effective early warning systems, updated ward profiles and public participation programmes implemented by CDWs	<b>Achieved</b> 4 Reports on the effective early warning systems, updated ward profiles and public participation programmes implemented by CDWs compiled	None	None
Number of communication programmes / events for public participation on matters of local governance	18 Municipalities conducted public awareness on projects and service delivery information	4 Communication programmes / events for public participation on matters of local governance	<b>Achieved</b> 4 Communication programmes / events for public participation on matters of local governance	None	None
Number of reports on collaboration and co-operation between the Council and the institution of Traditional Leadership on matters of service delivery to communities within traditional areas	-	4 Reports on the collaboration and co-operation between the Council and the institution of Traditional Leadership on matters of service delivery to communities within traditional areas	<b>Achieved</b> 4 Reports on collaboration and co-operation between the Council and the Institution of Traditional Leadership on matters of service delivery to communities within traditional areas compiled	None	None
Number of reports on the intervention provided in hotspot areas	-	3 Reports on the intervention provided in hotspot areas	<b>Achieved</b> 3 Reports on the intervention provided in hotspot areas compiled	None	None

## Sector Specific Performance Indicators

Programme: Local Governance Sub-programme: Public Participation					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Ward Committees supported on implementation of Ward Operational Plans	392 Ward operational plans reviewed	402 Ward Committees supported on implementation of Ward Operational Plans	<b>Achieved</b> 402 Ward Committees supported on the implementation of Ward Operational Plans	None	None
	10 Ward Operational Plans developed and implemented				
Number of Municipalities supported on the development of ward level database with community concerns and remedial actions produced	-	18 Municipalities supported on the development of ward level database with community concerns and remedial actions produced	<b>Achieved</b> 18 Municipalities supported on the development of ward level database with community concerns and remedial actions produced	None	None
Report on the number of community report back meetings convened by Councillors in each ward	14 Community Outreach Programmes (iZimbizo / Radio Slots) done	4 Reports on the number of community report back meetings convened by Councillors in each ward	<b>Achieved</b> 4 Reports on the number of community report back meetings convened by Councillors in each ward compiled	None	None

Programme: Local Governance Sub-programme: Capacity Development					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Leadership Development Programmes conducted	2 training programmes for Municipal officials and Councillors on Supply Chain Management (SCM) and Municipal Public Accounts Committees (MPACs) conducted	1 Leadership Development Programme for Councillors and Officials	<b>Achieved</b> 1 Leadership Development Programme for Councillors and Officials conducted.	None	None
Provincial Municipal capacity coordination and monitoring committee (PMCCMC) established	-	Provincial Municipal Capacity Coordination and Monitoring Committee (PMCCMC) established	<b>Achieved</b> 1 Provincial Municipal Capacity Coordination and Monitoring Committee (PMCCMC) established	None	None
Number of Municipalities monitored on the implementation of WSP's	21 Municipalities supported with compilation and submission of WSP's to LGSETA	21 Municipalities monitored on the implementation of WSP's	<b>Achieved</b> 21 Municipalities monitored on the implementation of the WSPs	None	None

## Sector Specific Performance Indicator

Programme: Local Governance Sub-programme: Capacity Development					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of capacity building interventions conducted in municipalities	6 Municipalities supported with development of integrated capacity building plans (Thaba Chweu; Bushbuckridge; Mkhondo; Dr JS Moroka; Msukaligwa and Thembeisile Hani)	2 Capacity building interventions conducted in Municipalities	<b>Achieved</b> 2 Capacity building interventions on Infrastructure Asset Management and Waste Water Treatment Plant Trainings conducted in Municipalities	None	None

Programme: Local Governance					
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipal performance reviews conducted	-	2 Municipal Performance Reviews conducted	<b>Achieved</b> 2 Municipal Performance Review Sessions conducted (1 <sup>st</sup> Quarter and Mid-term)	None	None
Number of Municipalities monitored on implementation of Organizational Performance Management System (OPMS)	21 Municipalities with Organisational Performance Management System (OPMS) developed	21 Municipalities monitored on implementation of Organizational Performance Management System (OPMS)	<b>Achieved</b> 21 Municipalities monitored on the development and implementation of Organizational Performance Management System (OPMS)	None	None
Targeted score cards KFAs implemented	-	21 Reviewed scorecards for municipal performance rating completed	<b>Achieved</b> 21 Reviewed scorecards for municipal performance rating completed	None	None
Provincial ICT coordination and monitoring (PICTC&M) structure established	-	Provincial ICT coordination and monitoring (PICTC&M) structure established	<b>Achieved</b> Provincial ICT coordination and monitoring (PICTC&M) structure established	None	None
Number of Municipalities supported with Information Management and Decision Support System installed and applied (LGIMS)	1 Monitoring and reporting system established in all municipalities	21 Municipalities supported with Information Management and Decision Support System installed and applied	<b>Achieved</b> 21 Municipalities supported with installation and application of information Management and Decision Support system	None	None
Provincial Performance Management System Framework developed	-	Provincial Performance Management System Framework developed	<b>Achieved</b> Provincial Performance Management System Framework developed	None	None

#### Sector Specific Indicators

Programme: Local Governance					
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported to institutionalize Performance Management System (PMS)	21 Municipalities with functional Performance Management System (PMS)	4 Municipalities supported to institutionalize performance management system (PMS)	<b>Achieved</b> 4 Municipalities supported to institutionalize performance management system (PMS) (Nkomazi, Thaba Chweu, Dipaleseng and Emakhazeni)	None	None
Number of municipal performance reports compiled as per requirements of Section 47 of the MSA	1 Approved Section 47 Report submitted to National Minister and Legislature	1 Municipal performance report compiled as per requirements of Section 47 of the MSA	<b>Achieved</b> 1 Municipal performance report as per the requirements of section 47 of the MSA compiled	None	None
Number of Municipalities supported through Support Monitoring and Intervention Plans (SMIPs)	3 District Municipalities assisted with support plans 4 Monitoring reports on the implementation of the support plans compiled	4 Municipalities supported through Support Monitoring and Intervention Plans (SMIPs)	<b>Achieved</b> 4 Municipalities supported through Support Monitoring and Intervention Plans (SMIPs) (Nkomazi, Thaba Chweu, Dipaleseng and Emakhazeni)	None	None

Programme: Local Governance					
Sub-programme: Service Delivery Improvement Unit (Provincial Priority)					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Report on the facilitation of access strategy on service delivery to communities	1 TSC established (eMzinoni Thusong Service Centre)	1 TSC established	<b>Achieved</b> 1 TSC established (Doornkop Thusong Service Centre)	None	None
	4 Outreach Programmes facilitated in the 3 Districts	8 Mobile Outreach Programme facilitated in Local Municipalities	<b>Achieved</b> 9 Mobile Unit Outreach programmes facilitated in Local municipalities (Msukaligwa, eMakhazeni, 2 x Nkomazi , Thembisile Hani , 2 x ThabaChweu, Chief Albert Luthuli and Dr JS Moroka Local Municipalities	1 Additional Mobile Outreach programme facilitated	Nkomazi and Thaba Chweu municipalities conducted 2 mobile outreach programmes as per their community needs
Community Satisfactory survey	-	Community satisfactory survey conducted	<b>Achieved</b> Community Satisfactory survey conducted in the 3 Districts	None	None
Number of municipalities institutionalizing Batho Pele	5 Municipalities institutionalized Batho Pele	4 Municipalities institutionalizing Batho Pele	<b>Achieved</b> 4 Municipalities institutionalized Batho Pele (Thaba Chweu, Nkomazi, Govan Mbeki and Dr JS Moroka LM)	None	None

#### Reasons for deviations

- The 4 additional municipalities were supported on the implementation of MPRA through the Evaluation Appeal Board and the Government Forum.
- There was a need for the additional Technical MUNIMAN Forum to discuss issues of amalgamation of Municipalities.
- 1 Additional Mobile Outreach programme facilitated in Thaba Chweu Municipality as per community needs.

#### 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 marginally decreased by 0.92 percent from R151 447 million in 2015/16 compared to R152 847 million in 2014/15. This is mainly due to section 139 interventions which cost the department R10 million in various municipalities within the province that ended in March 2015. No interventions were done in 2015/16 leading to the decline in the budget for the programme. The programme has managed to spend 100 percent of the final budget and all planned targets were achieved.

#### Sub-programme expenditure

Sub- Programme Name	2015/2016			2014/2015		
	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	2 232	2 228	4	1 935	1 903	32
Municipal Administration	7 747	7 709	38	6 483	6 200	283
Municipal Finance	-	-	-	13 779	14 077	(298)
Public participation	133 377	133 315	62	124 030	124 043	(13)
Capacity Development	3 555	3 546	9	3 032	2 995	37
Municipal Performance Reporting and Evaluation	4 536	4 529	7	3 588	3 621	(33)
<b>Total</b>	<b>151 447</b>	<b>151 327</b>	<b>120</b>	<b>152 847</b>	<b>152 839</b>	<b>8</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
- ✓ 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 order to facilitate and coordinate integrated planning for sustainable infrastructure development and service delivery the Department, supported 4 Municipalities to review their SDFs, Land Use schemes, IDP, Disaster Management Plans and support municipalities to respond to disaster incidences, also monitored LED and infrastructure programmes and projects

**Strategic objectives:**

Programme Name: DEVELOPMENT AND PLANNING					
Strategic objectives	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To facilitate and coordinate integrated planning for sustainable infrastructure development and service delivery	21 Municipalities with responsive IDPs approved	4 Municipalities with integrated development plans for sustainable infrastructure development and service delivery	4 Municipalities with integrated development plans for sustainable infrastructure development and service delivery (Steve Thswete, Govan Mbeki, Thembisile Hani and Bushbuckridge)	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 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of monitoring reports on the IDP review process	1 Annual IDP performance review conducted	4 Monitoring reports on the IDP review process	<b>Achieved</b> 4 Monitoring Reports on the IDP review process compiled	None	None
Number of reports on implementation of IDPs through SDBIPs	2 Assessment reports on the alignment of SDBIP to approved IDPs, PMS and Budget compiled	4 Reports on the implementation of IDPs through SDBIPs	<b>Achieved</b> 4 Reports on the implementation of IDPs through SDBIPs compiled	None	None
Provincial Framework for the development of 5 year IDPs	-	Provincial Framework for the development of 5 year IDPs	<b>Achieved</b> Provincial framework for the development of 5 year IDPs developed	None	None

**Sector Specific indicator**

Programme: Development and Planning					
Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported with development of legal compliant IDPs	21 Municipalities with approved responsive IDPs	21 Municipalities supported with the development of legal compliant IDPs	<b>Achieved</b> 21 Municipalities supported with the development of legal compliant IDPs	None	None

Programme: Development and Planning					
Sub-programme: Spatial Planning					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported on the alignment of SDF's with SPLUMA	21 Municipalities implementing SDF's	21 Municipalities supported on the alignment of SDFs with SPLUMA	<b>Achieved</b> 21 Municipalities supported on the alignment of SDFs with SPLUMA	None	None
Number of Municipalities supported on GIS	21 Municipalities supported on GIS spatial referencing	21 Municipalities supported on GIS	<b>Achieved</b> 21 Municipalities supported on GIS	None	None
Functional Provincial Spatial Working Group	4 Functional Provincial Spatial Working Group	Functional Provincial Spatial Working Group	<b>Achieved</b> Provincial Spatial Working Group functional	None	None

Programme: Development and Planning					
Sub-programme: Spatial Planning					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of reports on support provided on the development of an Integrated Urban Development Plan in Municipalities	-	4 Reports on support provided on the development of an Integrated Urban Development Plan in municipalities	<b>Achieved</b> 4 Reports on support provided on the development of an Integrated Urban Development Plan in Municipalities compiled	None	None

#### Sector Specific Indicator

Programme: Development and Planning					
Sub-programme: Spatial Planning					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported with the implementation of SPLUMA	18 municipalities supported to prepare for SPLUMA implementation	18 municipalities supported with the implementation of SPLUMA	<b>Achieved</b> 18 Municipalities supported with the implementation of SPLUMA	None	None

Programme: Development and Planning					
Sub-programme: Land Use Management					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of development applications evaluated	166 Development application complied with policy frameworks	60 Development applications evaluated	<b>Achieved</b> 111 Development applications evaluated	51 additional development applications evaluated	More applications received for evaluation.
Number of Title Deeds handed to beneficiaries	-	3000 erven at milestone 7,8 of Title Deeds handed to beneficiaries	<b>Achieved</b> 3015 erven at milestone 7,8 of Title Deeds handed to beneficiaries	15 additional erven at milestone 7 and 8	Towns involved consisted of more erven.
Number of erven created through Town Establishment Projects	2000 erven at milestone 3 finalized	2000 erven at milestone 4,5,6 created through Town Establishment Projects	<b>Achieved</b> 3085 erven at milestone 4,5,6 created through Town Establishment Projects	1085 additional erven at milestone 4,5 and 6	Due to effective use of land more erven was provided within the areas earmarked and within the scope of the project.
Number of survey services rendered	137 Survey services rendered	150 survey services rendered	<b>Achieved</b> 185 Survey services rendered	35 Additional survey services	More requests for surveying services received
Number of assessment reports on town planning for integrated human settlement projects to support DHS and Municipalities	-	4 Assessment reports on town planning for integrated human settlement projects	<b>Achieved</b> 4 Assessment reports on town planning for integrated human settlement projects compiled	None	None
Number of municipalities supported on the alignment of LUS with SPLUMA	18 Municipalities implementing LUMS	18 Municipalities supported on the alignment of LUS with SPLUMA	<b>Achieved</b> 18 Municipalities supported on the alignment of LUS with SPLUMA	None	None

Programme: Development and Planning					
Sub-programme: Local Economic Development					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of monitoring reports on the functionality of the LED Stakeholder Forums	21 Municipal LED Stakeholder Forums functional	4 Monitoring reports on the functionality of the LED Stakeholder Forum	<b>Achieved</b> 4 Monitoring reports on the functionality of the LED Stakeholder Forums compiled	None	None
Number of work opportunities created through Youth Waste Management project	146 jobs created on Youth Waste Management project through the use of EPWP incentive grant	100 work opportunities created through Youth Waste Management project	<b>Achieved</b> 132 Work opportunities created through Youth Waste Management project	32 additional work opportunities created	Grant allocation to accommodate the recruitment of 132 participants

## Sector Specific Indicators

Programme: Development and Planning					
Sub-programme: Local Economic Development					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported to implement Local Economic Development projects in line with municipal LED strategies	4 Municipalities with existing LED strategies (Nkangala District; Steve Tshwete; Lekwa and Govan Mbeki)	4 Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies	<b>Achieved</b> 15 Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies. (Bushbuckridge, Thaba Chweu, Nkangala DM, Dr Pixley Isaka Seme, Dipal-iseng, Chief Albert Luthuli, Mkhondo, Govan Mbeki, Lekwa, Umjindi, Mbombela, Steve Tshwete, Dr JS Moroka, Thembisile Hani and Emalaheni)	11 additional municipalities supported	The additional eleven (11) Municipalities had catalytic projects that needed to be supported by the Department
Number of Municipalities monitored to reduce cost of doing business through Red Tape intervention	-	3 Municipalities monitored to reduce cost of doing business through Red Tape intervention	<b>Achieved</b> 4 Municipalities monitored to reduce cost of doing business through Red Tape intervention. (Govan Mbeki, Mbombela, Bushbuckridge and Steve Tshwete LM )	1 Additional municipality was monitored to reduce cost of doing business through Red Tape intervention.	The Municipality-BBR had a need to be supported by the Department on Red Tape Reduction Monitoring.
Number of work opportunities maintained through CWP in municipalities	18 432 jobs maintained through CWP	19 000 work opportunities maintained through CWP	<b>Achieved</b> 23 460 Work opportunities maintained through CWP	4 460 additional work opportunities maintained	The additional 4 460 additional work opportunities were newly created and had to be maintained as well

Programme: Development and Planning					
Sub-programme: Municipal Infrastructure					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of PMUs in Municipalities evaluated on MIG performance	18 MIG PMU performance evaluated in Municipalities	18 PMUs in municipalities evaluated on MIG performance	<b>Achieved</b> 18 PMUs in municipalities evaluated on MIG performance	None	None
Number of Monitoring reports on the implementation of MIG projects	18 Municipalities with 100% registered projects of MIG allocation	4 Monitoring reports on the implementation of MIG projects	<b>Achieved</b> 4 Monitoring reports on the implementation of MIG projects compiled An expenditure of R1 billion (61%) of the MIG allocation of R1.7 billion has been reported	None	None
Number of monitoring reports on Households with access to electricity	989 448 out of 1 75 488 (92%) of households with access to electricity	4 Monitoring reports on households with access to electricity	<b>Achieved</b> 4 Monitoring reports on Households with access to electricity compiled	None	None
Number of monitoring reports on households with access to refuse removal	579 135 out of 1 075 488 (53.8%) of households with access to refuse removal	4 monitoring reports on households with access to refuse removal	<b>Achieved</b> 4 Monitoring reports on Households with access to refuse removal have been compiled	None	None
Number of assessment reports on the implementation of Integrated Waste Management Plan by municipalities	-	4 Assessment Reports on the implementation of Integrated Waste Management Plan by municipalities	<b>Achieved</b> 4 Assessment reports on the implementation of Integrated Waste Management Plans by 18 Municipalities compiled	None	None
Number of monitoring reports on the application of license disposal sites	18 Municipalities with licensed disposal sites	4 Monitoring reports on the application of license disposal sites	<b>Achieved</b> 4 Monitoring reports on the application of licensed disposal sites compiled 60 out of 68 disposal sites licensed	None	None
Number of Monitoring reports on Technical Expertise deployed in municipalities	-	4 Monitoring reports on Technical Expertise deployed in municipalities	<b>Achieved</b> 4 Monitoring reports on Technical Expertise deployed in Municipalities compiled	None	None

## Sector Specific Indicators

Programme: Development and Planning					
Sub-programme: Municipal Infrastructure					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of functional coordinating structures for infrastructure development and service delivery	-	2 Functional coordinating structures for infrastructure development and service delivery	<b>Achieved</b> 2 Functional coordinating structures for infrastructure development and service delivery held	None	None
Number of municipalities supported with service delivery programmes	-	18 Municipalities supported with service delivery programmes	<b>Achieved</b> 18 Municipalities supported with service delivery programmes	None	None
Number of municipalities supported to implement FBS policies (Indigents)	-	6 Municipalities supported to implement Free Basic services (FBS) policies (Indigents)	<b>Achieved</b> 16 Municipalities supported to implement FBS policies (Indigents) (Bushbuckridge, Mbombela, Nkomazi, Umjindi, Thaba Chweu, Dr JS Moroka, Emalaheni, Emakhazeni, Steve Tshwete, Thembisile Hani, Victor Khanye, Chief Albert Luthuli, Dipaleseng, Dr Pixley Ka Isaka Seme, Govan Mbeki and Lekwa)	10 additional municipalities supported to implement FBS	DCOG assigned the Province to fast track the process of supporting municipalities to implement FBS policies including the unplanned municipalities for the current financial year.
Number of Municipalities assessed against service delivery benchmarks	-	18 Municipalities assessed against service delivery benchmarks	<b>Achieved</b> 18 Municipalities assessed against service delivery benchmarks	None	None

Programme: Development and Planning					
Sub-programme: Water Services					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of monitoring reports on households with access to water	1 032 235 out of 1 075 488 (96%) households with access to water	4 Monitoring reports on households with access to water	<b>Achieved</b> 4 Monitoring reports on households with access to water compiled	None	None
Number of monitoring reports on households with access to sanitation	1 007 535 out of 1 075 488 (93.7%) households with access to sanitation	4 Monitoring reports on households with access to sanitation	<b>Achieved</b> 4 Monitoring reports on households with access to sanitation compiled	None	None
Number of Municipalities supported on "War-on-Leaks Program"	-	3 Municipalities supported on "War-on-Leaks Program"	<b>Achieved</b> 3 Municipalities supported and monitored on the registration of the war on leaks project (Umjindi, Thaba Chweu and Lekwa LM)	None	None
Number of monitoring reports on municipalities with Bulk infrastructure and storage capacity plan developed	-	4 Monitoring reports on municipalities with Bulk infrastructure and storage capacity plan developed	<b>Achieved</b> 4 Monitoring reports on municipalities with bulk infrastructure and storage capacity plans compiled	None	None
Number of monitoring reports on Blue Drop Compliance status of WTW by municipalities	-	4 Reports on Blue Drop Compliance status of WTW by municipalities	<b>Achieved</b> 4 Reports on Blue Drop Compliance status of WTW by municipalities compiled	None	None
Number of monitoring reports on Green Drop Compliance Status of WWTW by municipalities	-	4 Reports on Green Drop Compliance status of WWTW by municipalities	<b>Achieved</b> 4 Reports on Green Drop Compliance status of WWTW by municipalities compiled	None	None

Programme: Development and Planning Sub-programme: Disaster Management					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Municipalities supported on disaster risk reduction campaigns	18 Awareness campaigns conducted in 18 Local Municipalities	18 Municipalities supported on disaster risk reduction campaigns	<b>Achieved</b> All 18 Municipalities supported on Disaster risk reduction campaigns	None	None
Number of reports on disaster incidences and rehabilitation responded to in the Province	-	2 Reports on disaster incidences and rehabilitation responded to in the province	<b>Achieved</b> 2 Reports on disaster incidences and rehabilitation responded to in the Province compiled.	None	None
Number of reports on Provincial events supported	-	4 Reports on Provincial events supported	<b>Achieved</b> 4 Reports on Provincial events supported compiled.	None	None
Number of Municipalities assessed on fire brigade services	18 Municipalities with fire risks assessments	6 Municipalities assessed on fire brigade services	<b>Achieved</b> 6 Municipalities assessed on fire brigade services (Dipalising, Umjindi, Thaba Chweu, Victor Khanye, Emakhazeni and Pixley Ka Isaka Seme)	None	None
Number of reports on the implementation of Early warning systems compiled	100% rapid responses rendered in the province (Disaster incidents and rehabilitation and support provided to Provincial major events)	4 Reports on the implementation of Early warning systems compiled	<b>Achieved</b> 4 Reports on the implementation of Early warning systems compiled	None	None

### Sector Specific Indicators

Programme: Development and Planning Sub-programme: Disaster Management					
Performance Indicator	Actual Achievement 2014//2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of functional Municipal Disaster Management Centres	-	4 Functional Municipal Disaster Management Centres	<b>Achieved</b> 4 Municipal Disaster Management Centres functional.	None	None
Provincial Fire Brigade Services Unit established by target date	Fire service unit established in the department	Provincial Fire Brigade Services Unit established by target date	<b>Achieved</b> Provincial Fire Brigade Services unit established by target date 31 March 2016	None	None

### Reasons for deviations

- 51 additional development applications were received.
- Towns involved consisted of more erven, hence the additional 15 erven.
- Due to effective use of land, more erven were provided within the areas earmarked and within the scope of the project, hence the deviation of 1085 erven.
- More requests for survey services were received, hence the additional 35 survey services.
- More grant allocation to accommodate the recruitment of additional 32 participants.
- The additional 11 municipalities had catalytic projects that required support by the Department.
- 1 Additional municipality needed to be monitored to reduce cost of doing business through Red Tape intervention.
- The additional 4 460 work opportunities were new work opportunities that were created and maintained during the 2015/16 financial year.
- DCOG assigned the Province to fast track the process of supporting municipalities to implement FBS policies which included the unplanned municipalities for the financial year, hence the 10 additional municipalities supported to implement FBS.

### 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 R48 846 had decreased by 53 per cent or R54 000 million in 2015/16 compared to R102 946 million in 2014/15. This is due to the once off allocation for the procurement of Disaster Relief Materials, the Water Reservoir and War on Leaks Support to Municipalities Projects in the 2014/15 financial year. 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	2015/2016			2014/2015		
	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	1 372	1 371	1	1 355	1 312	43
Strategy Development, Research and Policy (IDP)	2 832	2 832	-	773	768	5
Spatial Planning	4 318	4 318	-	3 326	3 321	5
Land Use Management	16 614	16 614	-	18 162	18 158	4
Local Economic Development	7 337	7 338	(1)	10 380	10 120	260
Municipal Infrastructure	7 919	7 917	2	48 111	44 681	3 430
Water Services	-	-	-	-	-	-
Disaster Management	8 454	8 454	-	20 839	21 087	(248)
<b>Total</b>	<b>48 846</b>	<b>48 844</b>	<b>2</b>	<b>102 946</b>	<b>99 446</b>	<b>3 500</b>

#### 4.4 Programme 4: Traditional Institution 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 Traditional/Kings' Councils in terms of their participation in Municipal Affairs, operational offices, sound financial administration and clear accountability to the public.

#### **Strategic objectives:**

Programme Name: TRADITIONAL INSTITUTION MANAGEMENT					
Strategic objectives	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
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	-	30 Traditional Councils functional	<b>Achieved</b> 30 Traditional Councils functional	None	None
	2 Kings Royal Palaces refurbished	1 King's Council functional	<b>Achieved</b> 1 Kings' Council functional (Makhosonke)	None	None

#### **Reason for deviations**

There were no deviations made.

#### **Performance indicators**

Programme: Traditional Institution Management Sub-programme: Traditional Institutional Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Capacity building programmes implemented for Traditional Councils	3 Training programmes implemented for Traditional Councils in the 3 Districts (Financial Management and Control System; Leadership Protocol and Etiquettes; Land Use Management)	2 Capacity building programmes implemented for Traditional Councils	<b>Achieved</b> 2 Capacity building programmes implemented for Traditional Councils ( 1 Training on Water Sector Awareness and 1 Training on Indigenous Law and Diversity management) in 3 Districts conducted	None	None

Programme: Traditional Institution Management					
Sub-programme: Traditional Institutional Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number Provincial policy on Financial Management of TCs	-	Provincial policy on Financial Management of TCs	<b>Achieved</b> Provincial Policy on Financial Management of TCs developed	None	None
Number of TCs with Financial Management Systems	58 Traditional Councils with functional administrations	60 TCs with Financial Management Systems	<b>Achieved</b> 60 TCs with Financial Management Systems	None	None

Programme: Traditional Institution Management					
Sub-programme: Traditional Resource Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of tools of trade provided to Traditional Councils	-	1 Tool of trade provided to Traditional Councils	<b>Achieved</b> 1 Tool of trade provided to Traditional Councils (procurement of vehicles)	None	None
Number of traditional communities disputes processed within 90 days of receipt	12 Traditional land disputes resolved	4 Traditional communities' disputes processed within 90 days of receipt	<b>Achieved</b> 6 Traditional communities disputes processed within 90 days of receipt	2 additional Traditional communities' disputes processed	Interested and affected parties availability and timeous provision of information led to speedy resolution of disputes
Number of TCs complying with section 4(3)(b) of the TLGFA	-	55 TCs complying with section 4(3)(b) of the TLGFA	<b>Achieved</b> 60 TCs complying with section 4(3)(b) of TLGFA	5 additional TCs complying	5 TCs disputes resolved which made them to qualify to hold their events within the current financial year.

Programme: Traditional Institution Management					
Sub-programme: Rural Development Facilitation					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of District Traditional Leaders mobilized to participate in Municipal Councils	All 3 District Traditional Leaders participating in Municipal Councils	2 District Traditional Leaders participating in Municipal Councils	<b>Achieved</b> 2 District Traditional Leaders mobilized to participate in Municipal Councils	None	None
Number of Traditional Council Offices constructed	-	2 Traditional Council Offices constructed	<b>Achieved</b> 3 Traditional Council Offices constructed (uMjindi, Moreipuso and Barolong Ba Leffi)	1 additional Traditional Council Office constructed (Moreipuso)	Two (2) Traditional Councils (Malele and Moreipuso) were added on the construction since they were operating in an unsafe environment, however, Malele is not complete due to disturbances on site (unrest)
Number of TCs that made written submissions into municipal IDP processes	60 TCs participating in IDPs	30TCs which made written submissions into municipal IDP processes	<b>Achieved</b> 31 TCs which made written submissions into municipal IDP processes	1 additional TC which made written submissions	1 office of the Kingship was added to respond to the programme strategic objective and annual target

Programme: Traditional Institution Management					
Sub-programme: Traditional Land Administration					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Traditional land cases resolved	21 Traditional Land Cases resolved	12 Traditional land cases resolved	<b>Achieved</b> 18 Traditional land cases resolved	6 additional Traditional land cases resolved	Interested and affected parties availability and timeous provision of information led to speedy resolution of land disputes
Number of CTLDC cases researched and processed	46 Traditional Disputes and Claims cases finalized	17 CTLDC cases researched and processed	<b>Achieved</b> 17 CTLDC cases researched and processed	None	None

### **Reasons for deviations**

- Interested and affected parties' availability and timeous provision of information led to the speedy resolution of disputes, hence the 2 additional Traditional communities' disputes that were processed.
- 5 additional TCs disputes were resolved which made them to qualify to hold their events within the financial year.
- 1 additional Traditional Council Office constructed
- 1 additional TC which made written submissions
- 6 additional Traditional land cases resolved

### **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 had significantly increased by R50 153 million or 54 per cent from R91 462 million in 2014/15 to R141 615 million in 2015/16. This increase is due to the once off allocation for the procurement of vehicles (Tools of Trade) for Traditional Councils, the increase in the support for Ummemo and Operational Grant and the ongoing construction and refurbishment of Traditional Council Offices. The programme has managed to spend 100 percent of the allocation in 2015/16 and has managed to achieve all planned targets.

### **Sub-programme expenditure**

Sub- Programme Name	2015/2016			2014/2015		
	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	1 605	1 602	3	1 359	1 332	27
Traditional Institution Administration	17 773	17 773	-	18 858	18 967	109
Traditional Resource Administration	111 900	111 869	31	59 738	59 513	225
Rural Development Facilitation	8 108	8 105	3	9 559	9 536	23
Traditional Land Administration	2 229	2 228	1	1 948	1 876	72
<b>Total</b>	<b>141 615</b>	<b>141 577</b>	<b>38</b>	<b>91 462</b>	<b>91 224</b>	<b>238</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 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To advise government on policy and legislative development affecting Traditional Leaders, communities, custom, heritage and tradition	Support to the Mpumalanga Provincial House of Traditional Leaders provided	A Provincial functional and effective House of Traditional Leaders	<b>Achieved</b> Provincial House of Traditional Leaders is functional and effective	None	None
	3 reports on the functionality of the Local Houses compiled	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: Administration of the House of Traditional Leaders Sub-sub programme: Office of the Chairperson					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of reports for Chairpersons Committee	3 reports on the functionality of the Local Houses compiled	4 Reports for Chairpersons' Committee	<b>Achieved</b> 4 Reports for Chairpersons' Committee compiled	None	None
Traditional Leaders Indaba convened	1 Traditional Leaders Indaba convened	1 Traditional Leaders Indaba convened	<b>Achieved</b> 1 Traditional Leaders Indaba convened	None	None
Number of Chairpersons' Forum held	3 reports for Chairpersons forum compiled	3 Chairpersons' Forum held	<b>Achieved</b> 3 reports compiled for Chairperson's Forum held	None	None
Reports on the Executive Committee meetings	12 Reports on the Executive Committee meetings compiled	10 Reports on the Executive Committee sittings	<b>Achieved</b> 10 Reports on the Executive Committee sittings compiled	None	None
Number of Outreach programme on service delivery provision in Traditional communities	-	3 Outreach programmes on service delivery provision in Traditional communities	<b>Achieved</b> 3 Outreach programmes on service delivery provision in Traditional communities conducted	None	None
Number of oversight reports on provincial health programmes on HIV and AIDS	-	2 Oversight reports on provincial health programmes on health campaigns on HIV and AIDS	<b>Achieved</b> 2 oversight reports on provincial health programmes on health campaigns on HIV and AIDS compiled	None	None
Number of monitoring reports on implementation of INGOMA Act	-	1 Monitoring report on implementation of INGOMA Act	<b>Achieved</b> 1 monitoring report on implementation of INGOMA Act compiled	None	None
Number of Capacity Building programmes planned for members of Traditional Leadership	-	1 Capacity Building programme planned for members of Traditional Leadership	<b>Achieved</b> 1 Capacity Building programme on roles and responsibilities for members of Traditional Leadership conducted	None	None

Programme: House of Traditional Leaders Sub-programme: Administration of the House of Traditional Leaders Sub-sub programme: Office of the Secretary					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Annual Opening of the House of Traditional Leaders	1 Annual Opening of the House of Traditional Leaders convened	1 Annual Opening of the House of Traditional Leaders	<b>Achieved</b> 1 Annual Opening of the House of Traditional Leaders convened	None	None
Number of Secretaries Forums held	4 reports for Secretaries forum compiled	3 Secretaries Forums held	<b>Achieved</b> 3 reports for Secretaries Forum compiled	None	None
Sittings of HTL	4 Sittings of HTL convened	4 Sittings of HTL	<b>Achieved</b> 4 Sittings of HTL convened	None	None

Programme: House of Traditional Leaders					
Sub-programme: Administration of the House of Traditional Leaders					
Sub-sub programme: Office of the Secretary					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Special sittings of HTL	3 Special sittings of HTL convened	2 Special Sittings of HTL	<b>Achieved</b> 2 Special sitting of HTL convened	None	None
Commemoration of fallen heroes and 20 <sup>th</sup> anniversary	-	Commemoration of fallen heroes and 20 <sup>th</sup> anniversary	<b>Achieved</b> Commemoration of fallen heroes and 20 <sup>th</sup> anniversary convened	None	None

Programme: House of Traditional Leaders					
Sub-programme: Administration of the House of Traditional Leaders					
Sub-sub programme: Research Policy Development and Planning					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Research report on Genealogy	6 Approved Research Reports on Genealogy compiled	6 Approved Research Reports on Genealogy	<b>Achieved</b> 6 Approved Research reports on Genealogy compiled	None	None
Research services rendered for the HTL	2 reports on Research services rendered for the HTL compiled	2 reports on Research services rendered for the HTL	<b>Achieved</b> 2 Reports on Research services rendered for the HTL compiled	None	None
Data base on socio economic projects for traditional communities	-	1 Data base on socio economic projects in Traditional communities	<b>Achieved</b> 1 Database on socio economic projects in traditional communities developed	None	None-

Programme: House of Traditional Leaders					
Sub-programme: Administration of the House of Traditional Leaders					
Sub-sub programme: Legal Services					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of reports on Legal services rendered to Committees of HTL	4 Reports on Legal services rendered to committees of HTL compiled	4 Reports on legal services rendered to Committees of HTL	<b>Achieved</b> 4 Reports on legal services rendered to Committees of HTL compiled	None	None
Number of submissions on legislations (Bills, policies and regulations)	1 Bill on National Traditional Affairs submitted	6 Submissions on legislations, bills, policies and regulations	<b>Achieved</b> 6 Legislations, bills, policies and regulations submitted (Annual Constitutional Review, Local Government Municipal Electoral Amendment Bill, Deeds Registry Amendment Bill 2015, Traditional and Khoisan Leadership Bill, 2016, Traditional Court Bill, 2015 and Communal Property Association Bill)	None	None
Number of monitoring reports on compliance with HTL legislations	4 Monitoring reports on compliance with HTL Legislations compiled	4 Monitoring reports on compliance with HTL legislations	<b>Achieved</b> 4 Monitoring reports on compliance with HTL Legislation compiled	None	None

Programme: House of Traditional Leaders					
Sub-programme: Committees and Local Houses					
Sub-sub programme: Committees					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of Provincial House Committees functional	5 Provincial House Committees functional	5 Provincial House Committees functional	<b>Achieved</b> 5 functional Provincial House Committees	None	None
Number of reports on cultural, heritage and customs activities held	-	4 Reports on cultural, heritage and customs activities held	<b>Achieved</b> 4 Reports compiled on cultural, heritage and customs activities held	None	None

Programme: House of Traditional Leaders					
Sub-programme: Committees and Local Houses					
Sub-sub programme: Local Houses					
Performance Indicator	Actual Achievement 2014/2015	Annual Target 2015/2016	Actual Achievement 2015/2016	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Number of functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	3 Local Houses functional (Ehlanzeni, Nkangala and Gert Sibande)	3 Functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	<b>Achieved</b> 3 Local Houses Functional (Ehlanzeni, Nkangala and Gert Sibande)	None	None
Number of oversight reports on socio economic viability of Traditional communities	-	2 Oversight reports on socio economic viability of Traditional communities	<b>Achieved</b> 2 Oversight reports on Socio-economic viability of Traditional communities compiled	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 R 2.475 million or 16 per cent from R15 154 million in 2014/15 to R17 629 million in 2015/16. This is due to the programme hosting a once off event for the handover of vehicles to Traditional Councils and the two Kings and the increased monitoring of initiation schools that has resulted in zero death during the 2015/16 initiation season. The programme has managed to spend 100 per cent of the final allocation and has achieved all the planned targets.

#### Sub-programme expenditure

Sub- Programme Name	2015/2016			2014/2015		
	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	6 419	6 415	4	6 894	6 451	443
Committees and Local Houses of Traditional Leaders	11 210	11 214	(4)	8 260	8 574	(314)
<b>Total</b>	<b>17 629</b>	<b>17 629</b>	<b>-</b>	<b>15 154</b>	<b>15 025</b>	<b>129</b>

## 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 2015 to 31 March 2016

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
Amashangane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Bakgatla Ba Maloka	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Bakgatla Ba Mmakau	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Bakgatla Ba Mocha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Bakgatla Ba Seabe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	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
Barolong Ba Lefifi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Duma	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ebutsini	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Embhuleni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Emfumbeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Emjindini	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Enikakuyengwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Enkhaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Gutshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Hoxane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Hhoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Jongilanga	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Kgarudi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Lekgoetla	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Lomshiyo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Lugedlane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Madabukela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mahlaphahlapha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
KwaNdwalaza-Mahlobo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Manala Makerane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Malele	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Manala Mbongo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Manala King Council		Annual Commemoration	Yes	300	300	N/A
Manala Mgibe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mandlamakhulu	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mandlangampisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mantsholo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mashilane	TC's	Cultural ceremony	Yes	-	-	N/A
		Administration	Yes	120	120	N/A
Masoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mathibela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Matsamo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mawewe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	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
Mbuyane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mdluli	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mhlaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mlambo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mnisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mogane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mohlala	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Moletele	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Moreipuso	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mpakeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Mpisikazi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Msogwaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ndlela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ndzundza Fene	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ndzundza Mabhoko	TC's	Annual Commemoration	Yes	300	300	N/A
		Administration	Yes	120	120	N/A
Ndzundza Mabusu	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ndzundza Pungusha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ndzundza Somphalala	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Nkambeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Ogenyaneni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Sethlare	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Siboshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Somcuba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
Thabakgolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	120	120	N/A
<b>TOTAL TRANSFERS</b>				<b>19 400</b>	<b>19 400</b>	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016, 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
Mashilane	TC	Cultural ceremony	200	-	Not requested
Ndzundza Mabhoko	TC	Cultural ceremony	200	-	Not requested

#### Transfer payments to Municipalities

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016, 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
Gert Sibande District Municipality	Municipality	Water and Sanitation Intervention at Lekwa Municipality	n/a	0	0	There were no transfer payments made by the Department
		Water and Sanitation Intervention at Dipaleseng Municipality	n/a	0	0	There were no transfer payments made by the Department

## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The Department had no conditional grant earmarked funds paid for the year under review.

### 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 R2.633 million. The full grant of R2.633 million 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 create 100 work opportunities, however the Department managed to create 132 work opportunities.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2015 to 31 March 2016.

#### 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	100 work opportunities created
Actual outputs achieved	132 work opportunities created
Amount per amended DORA	R2.633 million
Amount received (R'000)	R2.633 million
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R2.633 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 has no infrastructure projects or programmes other than the installation of the 10 steel reservoirs in Nkomazi, Mbombela and Bushbuckridge Local Municipalities and the construction of 4 Traditional Council Offices. All the Steel water projects were completed except for the Casteel project which still has outstanding snag lists to be attended by the Contractor. On the construction of the Traditional Council offices, four sites expected to be completed by the second quarter of the 2016/17 financial year (i.e Malele Traditional Council).

Maintenance and improvements to the Mpumalanga Provincial Disaster Management Centre was implemented such as carparks and palisade fencing.

All completed infrastructure projects are transferred to the Municipalities and Traditional Councils and the Department does not provide any maintenance of such assets during their lifecycles

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 6 643 million** on infrastructure related projects of which the total value of the projects will be capitalised and subsequently transferred to the relevant institutions after completion.

Infrastructure projects	2015 /2016			2014/2015		
	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	6 643	6 643	-	33 087	28 652	4 435
Existing infrastructure assets	420	420	-	166	419	285
- Upgrades and additions	420	420	-	54	38	16
- Rehabilitation, renovations and refurbishments	-	-	-	-	-	-
- Maintenance and repairs	-	-	-	112	381	(269)
<b>Total</b>	<b>7 063</b>	<b>7 063</b>	<b>-</b>	<b>33 253</b>	<b>39 071</b>	<b>4 720</b>

**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 management unit that is headed by Deputy 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 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

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. 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.
- 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.
- The Departmental database format makes provision for PERSAL verification in order to detect and prevent any business with state officials.
- 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 debarate on the Department's Annual Report for 2014/15 financial year except for the last meeting which was held on the 12 of February 2015. The reported progress on the previous resolutions remained opened and unresolved as there was no SCOPA sitting during the period under review.

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
4 of 2005	Audit Action Plan for 2013/14 Financial Year	<p>3.1.1(i) The Executive Authority must ensure that the Accounting Officer fill all vacant funded positions on time.</p> <p>3.1.1 (ii) The Accounting Officer must ensure that management exercise oversight responsibility regarding financial, performance reporting and related internal controls.</p>	<p>The Executive Authority has directed the Accounting Officer to fill all funded vacant posts within three (3) months after the posts have become vacant.</p> <p>The Department has established an Annual Report Committee which reviews the Annual Financial Statements and Performance Report prior to submission to Treasury and Auditor General.</p> <p>The Department further conducts quarter performance reviews (financial and non-financial) as part of oversight responsibility on the reported information.</p> <p>The Internal Audit Unit and the Office of the Accountant General is also requested to perform a high level review of the Annual Reports prior to submission to Auditor General and Treasury.</p>	NO
4 of 2005	Payment of invoices within 30 days	3.2.1.(i) The Accounting Officer must take disciplinary action against the officials who failed to ensure that monies owed by the department are settled within 30 days as required by section 38(1)(f) of the PMFA and Treasury Regulations 8.2.3.	Letters of intend to institute disciplinary actions on officials who failed to ensure that monies owed by the Department are settled within 30 days have been issued to the affected officials.	NO
4 of 2005	Internal Audit	<p>3.3.1.(i) The Accounting Officer must submit to the Committee signed copies of the Audit Action Plan for 2013/14</p> <p>3.3.1 (ii) The Accounting Officer must ensure that recommendations of the internal audit unit are implemented by all officials and disciplinary action be taken against those who fail to comply.</p>	<p>The signed copy of the 2013 Audit Action Plan has been submitted to the Committee.</p> <p>The Accounting Officer is evaluating and implementing the Internal Audit unit's recommendations and follow up audits are being conducted by the unit to monitor progress on the implementation of their recommendations.</p> <p>All responsibility managers have been directed to take the Internal Audit Unit's function serious and implement its recommendations accordingly.</p> <p>Disciplinary actions will be taken by the Accounting Officer on officials who fail to comply with such recommendations.</p>	NO
4 of 2005	Accruals	<p>3.4.1(i) The Accounting Officer must develop a plan that will ensure that the department maintains the clean audit.</p> <p>3.4.1 (ii) The Accounting Officer must monitor progress made by municipalities in order to achieve clean audits.</p>	<p>Despite the clean audit obtained by the Department in 2013/14 financial year, an Audit Action Plan has been developed to deal with housekeeping matters with an objective of maintaining the clean audit. The Department monitors the implementation of the Audit Action Plan on monthly basis.</p> <p>The Department has also established a functional Compliance Unit which complements the work of the shared Internal Audit to monitor compliance with internal policies and with Laws and Regulations.</p> <p>The Accounting Officer working together with the Department of Finance is monitoring and providing support to ensure that all municipalities develop and implement Audit Action Plans (External and Internal) to address issues raised both the Office of the Auditor General and Internal audit units with the objective of obtaining a clean audit and improve service delivery within their areas of jurisdiction.</p> <p>The Department together with the Department of Finance continues to support all the municipalities with the implementation of the approved Integrated Municipal Support Plan to ensure improved financial management and service delivery.</p>	NO
4 of 2005		3.5.1.(i) The Accounting Officer must put plans to minimize the accruals.	<p>The Department has established and implemented a cut-off date for submission of invoices and is meeting with all contracted / standing suppliers on regular basis.</p> <p>Regular follow ups are being made with service providers to submit their invoices within 30 days after a service/good has been rendered /delivered.</p>	NO

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
4 of 2005	Fruitless and Wasteful Expenditure	<p>3.6.1.(i) The Accounting Officer must provide proof that the irregular expenditure was reported to the Provincial Treasury and Auditor General as required by Section 38(1)(g) of the PFMA.</p> <p>3.6.1 (ii) The Accounting Officer must develop effective internal control systems and tools to timeously detect and prevent fruitless wasteful, irregular and fruitless expenditure as required by Section 51(1) (b) (ii) of the PFMA.</p> <p>3.6.1 (iii) The Accounting Officer must develop effective measure and systems to prevent fruitless and wasteful expenditure and irregular expenditure from occurring in the Department.</p> <p>3.6.1 (iv) The Accounting Officer must recover the fruitless and wasteful expenditure relating to officials with NO shows hotels.</p>	<p>The Department did not report the fruitless and wasteful expenditure as it was discovered during the audit process, however the Department effected adjustments on the Annual Financial Statements which were subsequently submitted to the Office of the Auditor General and Provincial Treasury in accordance to section 40 of the Public Finance Management Act(PFMA).</p> <p>The Department has developed a checklist and fully implements SBD forms which are used by Supply Chain Management Unit and Expenditure section to prevent unauthorized, Irregular and Fruitless and Wasteful expenditure. The Department has further developed a template for reporting of Unauthorised, Irregular, Fruitless and Wasteful Expenditure on discovery by all officials within the Department.</p> <p>The Department has developed a checklist and fully implements SBD forms which are used by Supply Chain Management Unit and Expenditure section to prevent unauthorized, Irregular and Fruitless and Wasteful expenditure. The Department has further developed a template for reporting of Unauthorised, Irregular, Fruitless and Wasteful Expenditure on discovery by all officials within the Department.</p> <p>The Department has created debts and is currently deducting all NO show fees from the affected officials.</p>	NO
4 of 2005	Irregular Expenditure	<p>3.7.1.(i) The Accounting officer must provide the Committee with proof that disciplinary actions was taken against the official and that money was recovered as required by section 38(1) (c) of the PFMA</p> <p>3.7.1.(ii) Accounting Officer must proof that the irregular expenditure amounting to R836 000 was timely reported to Treasury.</p> <p>3.7.1(iii) The Accounting Officer must develop effective measures and systems timely recover monies due to the department as required by Section 38(1) (c) of the PFMA.</p>	<p>The Accounting Officer did take disciplinary actions against the officials and she was demoted for this conduct and subsequently dismissed for other conducts within the Department.</p> <p>Further investigations revealed that there was value for money received by the Department despite the contravention of procurement processes. The Irregular expenditure of R 836,000.00 was never recovered by the Department however condonement was granted by the Provincial Treasury.</p> <p>All monies due to the Department are timeously captured on the financial system (BAS) as debts and respective debtors sign the acknowledgement of debt forms in accordance to the Departmental Policy.</p> <p>Debtors older than 90 days are handed over Legal Section to issue letters of demand and institute legal actions to recover such debts / monies.</p>	NO
4 of 2005	Investigations	<p>3.8.1.(i) The Accounting Officer must make a follow up on the matter with the office of the president on providing the progress report on the outcome of investigations to the Committee not later than the 29 May 2015.</p> <p>3.8.1 (ii) The Accounting Officer must provide to the Committee on progress made in implementing the SIU report.</p>	<p>The Department has issues a follow up letter to the Presidency Office on the progress of the Water for All Flagship projects and is still awaiting for a response thereof</p> <p>Progress report on the implementation of the SIU report/recommendations will be provided to the Committee upon receipt of such report from the Presidency's Office.</p>	NO
4 of 2005	Audit Committee	<p>3.9.1. (i).The Accounting Officer must ensure that the department implements recommendations of the internal Audit Committee.</p> <p>3.9.1 (ii) The Accounting Officer must ensure that there is an official (secretariat) responsible for providing support and keeping of documents for the Audit Committee.</p>	<p>The Accounting Officer is evaluating and implementing the Audit Committee's recommendations and follow up audits are being conducted by the unit to monitor progress on the implementation of the Committee's recommendations.</p> <p>The Department will also provide progress report on the Audit Committee's resolutions on quarterly basis during the sittings</p> <p>Disciplinary actions will be taken by the Accounting Officer on officials who fail to comply with such recommendations.</p> <p>The Department has assigned a dedicated official within Compliance Unit at Deputy Director level to deal with providing support and keeping of documents for the Audit Committee.</p>	NO

## **9. PRIOR MODIFICATIONS TO AUDIT REPORTS**

The department had no prior modification to audit reports.

## **10. INTERNAL CONTROL UNIT**

The Department has established a Compliance Management Unit that is headed by a Deputy 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 located 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.

In line with the definition of internal auditing as per the Institute of Internal Auditors, the primary 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 Accounting Officer 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, which is also located within the Office of the Premier.

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, its Treasury Regulations and the Standards set for the Professional Practice of Internal Auditors 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 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.

The Annual Internal Audit Coverage/Operational Plan identified different audit assignments 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 also incorporated agreed Management action plans for implementation of corrective action.

In addition, as required in terms of the PFMA and the Internal Audit Charter, the identified control weaknesses were also communicated and tabled at the meetings of the Audit Committee to allow for 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:

- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to internal control environment.
- Review of Departmental Performance Information
- Review of Interim and Annual Financial Statements
- Information and Communication Technology Audits
- Financial Management and Accounting related audits: Expenditure Management; Payment to Creditors; Supply Chain Management; as well Transfer Payments and Conditional Grants
- Human Resources Management related audits: Recruitment and Selection processes
- Operational audits: Traditional Institutions Management and Development and Planning
- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT)

### **11.2 Audit Committee**

Similarly to the Internal Audit function, the Department utilizes the services of the shared Audit 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. During the financial year under review, the shared Audit Committee met four (4) times, being two Quarterly meetings and two Special meetings. In terms of the approved Terms of Reference, it was supposed to have had four Quarterly meetings and this was not achieved due to the fact that the term of office for members of the shared Audit Committee expired in September 2015 and there was a delay in the appointment process of the new members which was finalised during the 4<sup>th</sup> Quarter of the year under review. Accordingly, there was a portion of the financial year where the Department operated without the services of the shared Audit Committee and consequently, the Committee could not meet as envisaged in terms of the approved Terms of Reference.

Upon finalising the appointment of the new member, the shared Audit Committee met, however, it managed to meet immediately after the end of the financial year under review (6 April 2016). In the said meeting, the new shared Audit Committee ensured that it covered the all the operations for the Department, including the periods during which there was no Audit Committee.

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
Ms PS Mzizi <b>Chairperson</b>	BBusSc Finance (Hons) BCompt (Hons) CTA CA (SA) BCom (Hons) Transport Economics	External	1 Feb 2016	N/A	-
Mr XP Khumalo	BCom BCom Hons (Accounting) CA(SA)	External	1 Oct 2012 Reappointed on 1 Feb 2016	30 Sept 2015	3
Adv G Khoza	BProc LLB HDip in Tax Law	External	1 Mar 2014 Reappointed on 1 Feb 2016	30 Sept 2015	4
Mr MS Mthembu	Diploma in Accounting and Business Studies BCom (Accounting) MBL Cert. Business Advisory FAP (IAC) SA, GIA (IIA) SA, LIB (IOB) SA	External	1 Feb 2016	N/A	-
Mr T Zororo	BSc Hons Information Systems Post Graduate Diploma in Computer Auditing Certified COBIT 5 Assessor Certified Information Security Manager Certified Information System Auditor Certified in Risk & Information Systems Control Certified in the Governance of Enterprise Certified in Risk Management Assurance Certified Internal Auditor	External	1 Feb 2016	N/A	-
Ms G Deiner	BA Degree HDip in Education BCompt Professional Accountant (SA)	External	1 Jun 2009	30 Sept 2015	4
Ms. T. Njozela	BCom BCompt Hons MBA Certified in Control Self-Assessment Certified in Risk Management Assurance Certified Internal Auditor	External	1 Oct 2012	30 Sept 2015	3

## 12. Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2016.

### Audit Committee Members and Attendance

The Audit Committee consists of the members listed hereunder and should meet at least twice a year as per section 77(b) of the PFMA. During the current year four meetings were held by the Audit Committee.

#### Current Audit Committee

Name	Qualifications	Role	Scheduled Meetings	
			Held	Attended
Ms P Mzizi CA(SA)	BBusSci Finance (UCT) BCompt Hons CTA (UNISA) BCom Hons in Transport Economics (UNISA)	<b>Chairperson</b> External Member Appointed - 01 Feb 2016	3	3
Adv G Khoza	BProc (UWC) LLB (UWC) HDip in Tax Law (RAU)	External Member Appointed - 01 Feb 2016	3	3
Mr XP Khumalo CA(SA)	BCom (UN) BCom Hons(Accounting) (UN)	External Member Appointed - 01 Feb 2016	3	3
Mr MS Mthembu FAP(IAC) SA, GIA(IIA) SA, LIB (IOB)SA	Diploma in Accounting and Business Studies (UNISWA) BCom Accounting (UNISWA) MBL (UNISA)	External Member Appointed - 01 Feb 2016	3	3
Mr T Zororo CIA, CISA, CISM, CRMA, CRISC, CGEIT, COBIT 5 Certified Assessor	BSc Hons Information Systems (MSU - Zim) Higher Diploma in Computer Auditing (Wits)	External Member Appointed - 01 Feb 2016	3	3

#### Outgoing Audit committee

Name	Qualifications	Role	Scheduled Meetings	
			Held	Attended
Ms G Deiner Professional Accountant (SA)	BA Degree HDip in Education BCompt	<b>Chairperson</b> External Member Appointed from 01-06-09 to 30-09-15	1	1
Adv G Khoza	BProc (UWC) LLB (UWC) HDip in Tax Law (RAU)	External Member Appointed - 01-03-14 to 30-09-15	1	1
Mr XP Khumalo CA(SA)	BCom (UN) BCom Hons(Accounting) (UN)	External Member Appointed - 01-10-12 to 30-09-15	1	1
Ms T Njozela	BCom BCompt Hons MBA	External Member Appointed - 01-10-12 to 30-09-15	1	1

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the PFMA 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.

### The effectiveness of internal controls

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 following internal audit work was completed during the year under review as per approved plans:

- Monitoring and tracking of audit findings as previously reported by both AGSA and the shared Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans. Follow-up reviews were performed to evaluate the effectiveness and improvements to internal control environment.
- Review of Departmental Performance Information
- Review of Interim and Annual Financial Statements
- Information and Communication Technology Audits
- Financial Management and Accounting related audits: Expenditure Management; Payment to Creditors; Supply Chain Management; as well Transfer Payments and Conditional Grants

- Human Resources Management related audits: Recruitment and Selection processes
- Operational audits: Traditional Institutions Management and Development and Planning
- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT)

Through our analysis of the audit reports and engagement with the Department we can report that the system on internal control for the period under review was adequate and effective.

### **In-Year Management and Quarterly Reporting**

The Department has reported to the Provincial Treasury as required by the PFMA.

### **Evaluation of Financial Statements**

The Audit Committee 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.

The Audit Committee has:

- reviewed and discussed the external audit outcomes on the audited annual financial statements to be included in the annual report, with the Auditor General South Africa and the Accounting Officer,
- reviewed the Auditor-General South Africa's management report and management's responses thereto, and
- reviewed significant adjustments resulting from the audit.

### **Evaluation of reporting on pre-determined objectives**

The Audit Committee 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.

### **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. The Audit Committee has reviewed reports from the Risk Management Committee on implementation plan of risk management strategies and processes and is reasonably satisfied with the reports received.

Also, the Audit Committee has reviewed the Department's fraud prevention plan.

Based on the quarterly reviews performed, the departmental processes and system relating to fraud prevention and risk management is adequate and effective

### **Internal Audit**

The Audit Committee is satisfied that the Internal Audit function operated effectively during the year under review.

### **Auditor General South Africa**

We have reviewed the department's implementation plan for audit issues raised in the previous year and concluded that it is adequate but partially effective as some of the matters have not been adequately resolved.

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

The Audit Committee concurs and 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 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:

**Ms S Mzizi (SA)**  
**Chairperson of the Audit Committee**

**Date: 31 July 2016**

**PART D**  
**HUMAN RESOURCE MANAGEMENT**

## HUMAN RESOURCE 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 has a staff complement of 849 employees who are based at head office and in the three Districts of the Province. Human Capital is seen as the stock of competencies, knowledge, social and personality attributes, including creativity, embodied in the ability to perform work and improve service delivery. The department has maximised, recognised and utilised the value of its human capital in order to deliver on its mandate. Correct utilization of employees' skills, knowledge and abilities was strengthened. Employees who are fit for the purpose were recruited and placed. The department strives to maintain the loyalty of employees and motivate them to use their talents.

The Department is currently reviewing its organisational structure to provide for a lean, focused and decentralised approach towards supporting municipalities.

The department acknowledges that diversity is the key to our growth and success gender, disability, religion, culture, sexual orientation, naturality, thinking and skills. Embracing a culture of inclusion is critical to ensure that our diverse talent is managed and nurtured to drive successful organisational outcomes. We are in the process of sharpening our focus on empowering women and improving processes that are inclusive of people with disabilities. Currently in terms of representation we are at 41.6% of women in senior management positions and 1.4% of people with disabilities.

#### 2.1 Set HR Priorities for the year under review and impact of these priorities

During the year under review HR focus on the following focus areas:

- Finalise the reviewal of the organisational structure.
- Effective Implementation of Human Resource Administration.
- Effective Implementation of PMDS, HR Plan, EE Plan and HR Policies.
- Build leadership capabilities through leadership development programmes.
- Improve Records Management.

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

It is our understanding that for municipalities to perform, we need to ensure that the employees possess the necessary expertise and capabilities. In keeping to our goal we have developed and implemented a training programme which has courses aligned to South African Qualifications Authority Unit Standards. In our quest to improve the scarce skills base in the labour market, we have given bursaries to 31 internal staff and 5 unemployed youth as well as matriculates who registered for technical qualifications in universities within the country. We know that our ability to attract and retain scarce talent is based on providing a safe and stimulating work environment that reflects the diversity of the communities in which we operate and in which the rights of employees are respected.

The department acknowledges that diversity is the key to our growth and success. As such a staff retention policy has been reviewed that seeks to ensure the retention of scarce skilled and talented staff. At COGTA diversity signifies all aspects of peoples' differences and similarities, including race.

#### 2.3 Performance Management

We have achieved significant progress with regards to our administration practices and developed action plans to address the findings of the Auditor General. We managed to inculcate a culture of performance where there is an understanding that performance incentive is not an entitlement but one should demonstrate the impact or change within the department as a result of their superior performance. To us a high performance culture is essential in order to keep team spirit and boost morale. We conducted organisational wide workshops on all our Human Resource Policies to ensure proper implementation.

#### 2.4 Employee Health and Wellness

We applied a holistic approach to employee health and well-being that encompasses a broad spectrum of programmes and campaigns to create awareness on health and wellness matters. We have implemented health and awareness programmes which increased awareness on health and wellbeing of employees. The department fully complied with the workforce planning framework and this was revealed through the provincial assessment of HR Plans as per the DPSSA guidelines. Through the bursaries for external learners, the department seeks to have a pool of readily qualified prospective employees who are given an opportunity to serve as interns for a 12 months period after completion of their studies.

#### 2.5 Highlight achievements and challenges faced by the department, as well as future human resource plans /goals.

In the financial year under review all Departmental policies and procedure manuals were reviewed by the policy committee and the policies were approved as per the applicable prescripts. Our staff compliment is in line with the current structure to fill strategic positions. Performance management has been institutionalised and a performance culture is created. There has been improvement with regards to compliance matters and the turnaround time has improved.

**- Challenges faced by the department:**

It is also worth noting that this report coincides with 18 years of the implementation of the Employment Equity Act No 55 of 1998 which sought to achieve equity in the workplace by:-

Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, to ensure their equitable representation in all occupational categories and levels.

The department however acknowledges that reaching the planned target of 50% of women in senior management positions and 2% of people with disabilities has been a challenge. The department has put strategies in place to ensure that this goal is achieved however there has been minimal progress. Although office space is still a challenge, the filing cabinets were installed to ensure safe keeping the records of the department.

**- Future HR Plan goals:**

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

- Increase the efficiency of HR Administration Practices.
- Improved compliance to legislation
- Training critical mass of officials in middle management position of leadership development to position them for career advancement.
- Developing technical competency in line with the job function of our employees.
- Improving records management in the Department. to ensure that this goal target of 50% of women in senior management is achieved.

**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 2015 and 31 March 2016**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	116,703	65,467	-	-	56.10	439
Local Governance	151,327	146,872	-	-	97.10	278
Development and Planning	48,844	36,094	-	-	73.90	177
Traditional Institutional Management	141,577	81,234	-	-	57.40	144
The House of Traditional Leaders	17,629	11,508	-	-	65.30	443
<b>Total</b>	<b>476,080</b>	<b>341,175</b>	-	-	<b>71.70</b>	<b>232</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016**

Salary band	Personnel expenditure (R'000)	% of Total personnel cost	No. of Employees	Average personnel cost per Employee (R'000)
Skilled (Levels 3-5)	12,631	3.7	65	194
Highly skilled production (Levels 6-8)	148,774	43.6	588	256
Highly skilled supervision (Levels 9-12)	91,490	26.8	157	583
Senior management (Levels 13-16)	26,069	7.6	25	1 043
Contract (Levels 1-2)	17	0	0	0
Contract (Levels 3-5)	973	0.3	5	195
Contract (Levels 6-8)	540	0.2	2	270
Contract (Levels 9-12)	3,877	1.1	6	645
Contract (Levels 13-16)	5,252	1.5	1	5 252
Periodical Remuneration	2,164	0.6	138	16
Abnormal Appointment	49,388	14.5	484	102
<b>TOTAL</b>	<b>341,175</b>	<b>100</b>	<b>1 471</b>	<b>232</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	A m o u n t (R'000)	Salaries as a % of personnel costs	A m o u n t (R'000)	Overtime as a % of personnel costs	A m o u n t (R'000)	HOA as a % of personnel costs	A m o u n t (R'000)	Medical aid as a % of personnel costs
Administration	60,610	92.6%	415	0.6%	1,646	2.5%	2,796	4.3%
Local Governance	129,168	87.9%	-	0.0%	6,590	4.5%	11,114	7.6%
Development and Planning	34,109	94.5%	-	0.0%	755	2.1%	1,230	3.4%
Traditional Institutional Management	79,242	97.5%	51	0.1%	582	0.7%	1,359	1.7%
The House of Traditional Leaders	10,867	94.4%	24	0.2%	199	1.7%	418	3.6%
<b>Total</b>	<b>313,996</b>	<b>92.0%</b>	<b>490</b>	<b>0.1%</b>	<b>9,772</b>	<b>2.9%</b>	<b>16,917</b>	<b>5.0%</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	A m o u n t (R'000)	Salaries as a % of personnel costs	A m o u n t (R'000)	Overtime as a % of personnel costs	A m o u n t (R'000)	HOA as a % of personnel costs	A m o u n t (R'000)	Medical aid as a % of personnel costs
Skilled (level 3-5)	10,935	86.6%	31	0.2%	808	6.4%	857	6.8%
Highly skilled production (levels 6-8)	128,900	86.6%	191	0.1%	6,762	4.5%	12,921	8.7%
Highly skilled supervision (levels 9-12)	86,939	95.0%	268	0.3%	1,528	1.7%	2,755	3.0%
Senior management (level 13-16)	25,184	96.6%	-	0.0%	606	2.3%	279	1.1%
Contract (Levels 1-2)	17	100.0%	-	0.0%	-	0.0%	-	0.0%
Contract (Levels 3-5)	914	93.9%	-	0.0%	25	2.6%	34	3.5%
Contract (Levels 6-8)	503	93.1%	-	0.0%	14	2.6%	23	4.3%
Contract (Levels 9-12)	3,800	98.0%	-	0.0%	29	0.7%	48	1.2%
Contract (Levels 13-16)	5,252	100.0%	-	0.0%	-	0.0%	-	0.0%
Periodic Appointment	2,164	100.0%	-	0.0%	-	0.0%	-	0.0%
Abnormal Appointment	49,388	100.0%	-	0.0%	-	0.0%	-	0.0%
<b>TOTAL</b>	<b>313,996</b>	<b>92.0%</b>	<b>490</b>	<b>0.1%</b>	<b>9,772</b>	<b>2.9%</b>	<b>16,917</b>	<b>5.0%</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 2015 and 31 March 2016**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
1 Administration	149	149	0%	0
2 Development & Planning	66	66	0%	0
3 Local Government	529	529	0%	0
4 House of Traditional Leaders	26	26	0%	0
5 Traditional Institution Management	79	79	0%	0
<b>Total</b>	<b>849</b>	<b>849</b>	<b>0%</b>	<b>0</b>

**Table 3.2.2 Employment and vacancies by salary band as on 1 April 2015 and 31 March 2016**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled (Levels 3-5), Permanent	65	65	0%	0
Highly skilled production (Levels 6-8), Permanent	588	588	0%	0
Highly skilled supervision (Levels 9-12), Permanent	157	157	0%	0
Senior management (Levels 13-16), Permanent	25	25	0%	0
Contract (Levels 3-5), Permanent	5	5	0%	0
Contract (Levels 6-8), Permanent	2	2	0%	0
Contract (Levels 9-12), Permanent	6	6	0%	0
Contract (Levels 13-16), Permanent	1	1	0%	0
<b>TOTAL</b>	<b>849</b>	<b>849</b>	<b>0%</b>	<b>0</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 1 April 2015 and 31 March 2016**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	145	145	0%	0
Agriculture related, Permanent	4	4	0%	0
Architects town and traffic planners, Permanent	7	7	0%	0
Cartographic surveying and related technicians, Permanent	3	3	0%	0
Cleaners in offices workshops hospitals etc., Permanent	18	18	0%	0
Communication and information related, Permanent	3	3	0%	0
Engineering sciences related, Permanent	1	1	0%	0
Engineers and related professionals, Permanent	3	3	0%	0
Finance and economics related, Permanent	7	7	0%	0
Financial and related professionals, Permanent	10	10	0%	0
Financial clerks and credit controllers, Permanent	10	10	0%	0
General legal administration & rel. professionals, Permanent	2	2	0%	0
Head of department/chief executive officer, Permanent	2	2	0%	0
Human resources & organised develop & relate prof, Permanent	1	1	0%	0
Human resources clerks, Permanent	2	2	0%	0
Human resources related, Permanent	8	8	0%	0
Information technology related, Permanent	17	17	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	492	492	0%	0
Other administrative policy and related officers, Permanent	27	27	0%	0
Other occupations, Permanent	28	28	0%	0
Quantity surveyors & related prof not class elsewhere, Permanent	1	1	0%	0
Secretaries & other keyboard operating clerks, Permanent	28	28	0%	0
Senior managers, Permanent	20	20	0%	0
<b>TOTAL</b>	<b>849</b>	<b>849</b>	<b>0%</b>	<b>0</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 2015 and 31 March 2016**

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)	2	2	100%	0	0%
Salary Level 14	5	5	100%	0	0%
Salary Level 13	17	17	100%	0	0%
<b>Total</b>	<b>25</b>	<b>25</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Table 3.3.2 SMS post information as on 1 April 2015 and 31 March 2016**

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)	2	2	100%	0	0%
Salary Level 14	5	5	100%	0	0%
Salary Level 13	17	17	100%	0	0%
<b>Total</b>	<b>25</b>	<b>25</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016**

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
Director-General/ Head of Department	0	0	0	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	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 3.3.4 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 2015 and 31 March 2016**

Reasons for vacancies not advertised within six months
Department does not have vacant positions
Reasons for vacancies not filled within six months
Department does not have vacant positions

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2015 and 31 March 2016**

Reasons for vacancies not advertised within six months
Department does not have vacant positions
Reasons for vacancies not filled within six months
Department does not have vacant positions

### 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 2015 and 31 March 2016**

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
Contract (Levels 3-5)	5	0	0	0	0	0	0
Contract (Levels 6-8)	2	1	0	0	0	0	0
Contract (Levels 9-12)	6	0	0	0	0	0	0
Contract (Band A)	1	0	0	0	0	0	0
Skilled (Levels 3-5)	65	1	0	0	0	0	0
Highly skilled production (Levels 6-8)	588	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	157	0	0	0	0	0	0
Senior Management Service Band A	18	0	0	0	0	0	0
Senior Management Service Band B	5	0	0	0	0	0	0
Senior Management Service Band C	1	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>849</b>	<b>2</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 2015 and 31 March 2016**

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 2015 and 31 March 2016**

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 2015 and 31 March 2016**

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 2015 and 31 March 2016**

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (Levels 3-5), Permanent	78	1	1	0.0%
Highly skilled production (Levels 6-8), Permanent	589	0	15	2.5%
Highly skilled supervision (Levels 9-12), Permanent	167	0	7	4.2%
Senior Management Service Band A, Permanent	17	0	1	5.9%
Senior Management Service Band B, Permanent	5	0	0	0.0%
Senior Management Service Band C, Permanent	1	0	0	0.0%
Senior Management Service Band D, Permanent	2	0	1	50.0%
Contract (Levels 1-2), Permanent	1	0	1	100.0%
Contract (Levels 3-5), Permanent	6	0	1	16.7%
Contract (Levels 6-8), Permanent	3	0	1	33.3%
Contract (Levels 9-12), Permanent	7	0	1	14.3%
Contract (Band A), Permanent	7	0	6	85.7%
<b>TOTAL</b>	<b>883</b>	<b>1</b>	<b>35</b>	<b>3.9%</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016**

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	133	0	6	4.5%
Architects town and traffic planners, Permanent	4	0	2	50.0%
Cleaners in offices workshops hospitals etc., Permanent	18	0	0	0.0%
Communication and information related, Permanent	3	0	0	0.0%
Engineers and related professionals, Permanent	1	0	0	0.0%
Finance and economics related, Permanent	9	0	0	0.0%
Financial and related professionals, Permanent	10	0	1	10.0%
Financial clerks and credit controllers, Permanent	8	0	0	0.0%
General legal administration & rel. professionals, Permanent	3	0	1	33.3%
Head of department/chief executive officer, Permanent	3	0	1	33.3%
Human resources & organ development & relate prof, Permanent	3	0	2	66.7%
Human resources clerks, Permanent	3	0	0	0.0%
Human resources related, Permanent	8	0	0	0.0%
Information technology related, Permanent	17	0	0	0.0%
Library mail and related clerks, Permanent	4	0	0	0.0%
Messengers porters and deliverers, Permanent	6	0	1	16.7%
Motor vehicle drivers, Permanent	1	0	0	0.0%
Other administrative & related clerks and organisers, Permanent	524	0	11	2.1%
Other administrative policy and related officers, Permanent	32	0	4	12.5%
Other occupations, Permanent	41	0	1	2.4%
Secretaries & other keyboard operating clerks, Permanent	27	1	0	-3.7%
Senior managers, Permanent	25	0	5	20.0%
<b>TOTAL</b>	<b>883</b>	<b>1</b>	<b>35</b>	<b>3.9%</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 2015 and 31 March 2016**

Termination Type	Number	% of Total Resignations
Death	8	22.9
Resignation	14	40
Expiry of contract	10	28.6
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement (Early retirement)	3	8.6
Transfer to other Public Service Departments	0	0
Other	0	0
<b>Total</b>	<b>35</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		<b>4.1</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016**

Occupation	Employees 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	133	1	0.8%	105	78.9%
Agriculture related	0	0	0.0%	0	0%
Architects town and traffic planners	4	0	0.0%	4	100.0%
Cartographic surveying and related technicians	0	0	0.0%	0	0%
Cleaners in offices work-shops hospitals etc.	18	0	0.0%	12	66.7%
Communication and information related	3	0	0.0%	2	66.7%
Engineers and related professionals	1	0	0.0%	1	100.0%
Finance and economics related	9	0	0.0%	9	100.0%
Financial and related professionals	10	0	0.0%	8	80.0%
Financial clerks and credit controllers	8	0	0.0%	8	100.0%
General legal administration & rel. professionals	3	0	0.0%	3	100.0%
Head of department/chief executive officer	3	0	0.0%	0	0.0%
Human resources & organisation development & relate prof	3	0	0.0%	1	33.3%
Human resources clerks	3	0	0.0%	2	66.7%
Human resources related	8	0	0.0%	6	75.0%
Information technology related	17	0	0.0%	16	94.1%
Library mail and related clerks	4	0	0.0%	4	100.0%
Messengers porters and deliverers	6	0	0.0%	2	33.3%
Motor vehicle drivers	1	0	0.0%	1	100.0%
Other administrative & related clerks and organisers	524	0	0.0%	315	60.1%
Other administrative policy and related officers	32	0	0.0%	17	53.1%
Other occupations	41	0	0.0%	2	4.9%
Quantity surveyors & related prof not class elsewhere	0	0	0.0%	0	0.0%
Secretaries & other keyboard operating clerks	27	0	0.0%	16	59.3%
Senior managers	25	0	0.0%	16	64.0%
<b>TOTAL</b>	<b>883</b>	<b>1</b>	<b>0.1%</b>	<b>550</b>	<b>62.3%</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016**

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5), Permanent	78	0	0.0%	47	60.3%
Highly skilled production (Levels 6-8), Permanent	590	1	0.2%	364	61.7%
Highly skilled supervision (Levels 9-12), Permanent	167	0	0.0%	121	72.5%
Senior management (Levels 13-16), Permanent	25	0	0.0%	18	72.0%
Contract (Levels 1-2), Permanent	1	0	0.0%	0	0.0%
Contract (Levels 3-5), Permanent	6	0	0.0%	0	0.0%
Contract (Levels 6-8), Permanent	3	0	0.0%	0	0.0%
Contract (Levels 9-12), Permanent	7	0	0.0%	0	0.0%
Contract (Levels 13-16), Permanent	7	0	0.0%	0	0.0%
<b>TOTAL</b>	<b>883</b>	<b>1</b>	<b>0.1%</b>	<b>550</b>	<b>62.3%</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 2015 and 31 March 2016**

Occupational Categories	Male African	Male, Coloured	Male Indian	Male White	Female African	Female, Coloured	Female, Indian	Female, White
Legislators, senior officials and managers, Permanent	12	0	0	0	9	0	0	1
Professionals, Permanent	29	1	0	4	29	0	0	1
Technicians and associate professionals, Permanent	84	1	0	1	88	0	0	1
Clerks, Permanent	249	1	1	0	283	0	0	2
Plant and machine operators and assemblers, Permanent	1	0	0	0	0	0	0	0
Elementary occupations, Permanent	30	0	0	0	21	0	0	0
<b>TOTAL</b>	<b>405</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>430</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 1 April 2015 and 31 March 2016**

Occupational Bands	Male African	Male Coloured	Male Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Top Management, Permanent	1	0	0	0	1	0	0	0	2
Senior Management, Permanent	13	0	0	1	8	0	0	1	23
Professionally qualified and experienced specialists and mid-management, Permanent	87	1	0	4	63	0	0	2	157
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	281	2	1	0	304	0	0	0	588
Semi-skilled and discretionary decision making, Permanent	17	0	0	0	46	0	0	2	65
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally qualified), Permanent	2	0	0	0	4	0	0	0	6
Contract (Skilled technical), Permanent	0	0	0	0	2	0	0	0	2
Contract (Semi-skilled), Permanent	4	0	0	0	1	0	0	0	5
<b>TOTAL</b>	<b>405</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>430</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>849</b>

**Table 3.6.3 Recruitment for the period 1 April 2015 and 31 March 2016**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Employees with disabilities</b>	<b>0</b>								

**Table 3.6.4 Promotions for the period 1 April 2015 and 31 March 2016 (pay progression)**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	11	0	0	1	5	0	0	1	18
Professionally qualified and experienced specialists and mid-management	66	1	0	3	51	0	0	1	122
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	161	2	0	0	200	0	0	0	363
Semi-skilled and discretionary decision making	14	0	0	0	31	0	0	2	47
<b>Total</b>	<b>252</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>287</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>550</b>
<b>Employees with disabilities</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>

**Table 3.6.5 Terminations for the period 1 April 2015 and 31 March 2016**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0	0	0	0	0	0	1
Senior Management, Permanent	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management, Permanent	4	0	0	0	2	0	0	1	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	9	1	0	0	5	0	0	0	15
Semi-skilled and discretionary decision making, Permanent	0	0	0	0	1	0	0	0	1
Contract (Senior Management), Permanent	4	0	0	0	2	0	0	0	6
Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	1
Contract (Skilled technical), Permanent	1	0	0	0	0	0	0	0	1
Contract (Semi-skilled), Permanent	1	0	0	0	0	0	0	0	1
Contract (Unskilled), Permanent	0	0	0	0	1	0	0	0	1
<b>TOTAL</b>	<b>20</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>35</b>
Employees with Disabilities	1	0	0	0	0	0	0	0	1

**Table 3.6.6 Disciplinary action for the period 1 April 2015 and 31 March 2016**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None	12	0	0	0	2	0	0	0	14

**Table 3.6.7 Skills development for the period 1 April 2015 and 31 March 2016**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	0	0	0	11	0	0	0	15
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	30	1	0	0	30	0	0	1	62
Clerks	64	0	0	0	141	0	0	2	207
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	0	0	0	0	0	0	0	0	2
Elementary occupations	1	0	0	0	0	0	0	0	1
<b>Total</b>	<b>102</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>288</b>
Employees with disabilities	5	0	0	0	0	0	0	0	5

### 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 2015**

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 16	1	1	1	100%
Salary Level 15(HOD)	2	2	2	100%
Salary Level 14	5	5	5	100%
Salary Level 13	17	17	17	100%
<b>Total</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>100%</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2015**

Reasons
None

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2015**

Reasons
None

### 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 2015 and 31 March 2016**

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	195	427	45.7%	2,565	13,154
African, Male	160	397	40.3%	2,681	16,756
Asian, Male	0	1	0.0%	-	0
Coloured, Male	1	3	33.3%	14	14,000
Total Blacks, Female	195	427	45.7%	2,565	13,154
Total Blacks, Male	161	401	40.1%	2,695	16,739
White, Female	3	5	60.0%	49	16,333
White, Male	5	5	100.0%	173	34,600
Employees with a disability	9	11	81.8%	88	9,778
<b>TOTAL</b>	<b>373</b>	<b>849</b>	<b>43.9%</b>	<b>5,570</b>	<b>14,933</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 and 31 March 2016**

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	43	65	66.2%	280	6,512
Highly skilled production (Levels 6-8)	206	588	35.0%	2,014	9,777
Highly skilled supervision (Levels 9-12)	107	157	68.2%	2,653	24,589
Contract (Levels 3-5)	0	5	0.0%	-	-
Contract (Levels 6-8)	0	2	0.0%	-	-
Contract (Levels 9-12)	0	6	0.0%	-	-
Periodical Remuneration	0	0	0.0%	-	-
Abnormal Appointment	0	0	0.0%	-	-
<b>TOTAL</b>	<b>356</b>	<b>823</b>	<b>43.3%</b>	<b>4,947</b>	<b>40,878</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 and 31 March 2016**

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	85	145	58.6%	1,827	21,494
Agriculture related	0	4	0.0%	-	-
Architects town and traffic planners	4	7	57.1%	142	35,500
Cartographic surveying and related technicians	0	3	0.0%	-	-
Cleaners in offices workshops hospitals etc.	11	18	61.1%	59	5,364
Communication and information related	2	3	66.7%	34	17,000
Engineering sciences related	0	1	0.0%	-	-
Engineers and related professionals	2	3	66.7%	54	27,000
Finance and economics related	8	7	114.3%	216	27,000
Financial and related professionals	7	10	70.0%	171	24,429
Financial clerks and credit controllers	8	10	80.0%	120	15,000
General legal administration & rel. professionals	1	2	50.0%	39	39,000
Head of department/chief executive officer	0	2	0.0%	-	-
Human resources & organisational development & relate prof	1	1	100.0%	33	33,000
Human resources clerks	2	2	100.0%	18	9,000
Human resources related	7	8	87.5%	177	25,286
Information technology related	10	17	58.8%	178	17,800
Library mail and related clerks	4	4	100.0%	29	7,250
Messengers porters and deliverers	2	5	40.0%	11	5,500
Motor vehicle drivers	1	1	100.0%	7	7,000
Other administrative & related clerks and organisers	168	492	34.1%	1,573	9,363
Other administrative policy and related officers	16	27	59.3%	196	12,250
Other occupations	4	28	14.3%	38	9,500
Quantity surveyors & related prof not class elsewhere	0	1	0.0%	-	-
Secretaries & other keyboard operating clerks	15	28	53.6%	106	7,067
Senior managers	15	20	75.0%	542	36,133
<b>TOTAL</b>	<b>373</b>	<b>849</b>	<b>43.9%</b>	<b>5,570</b>	<b>14,933</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 and 31 March 2016**

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	12	19	63.2	419	34 917	1.7	23 970
Band B	5	5	100	204	40 800	3.3	6 248
Band C	0	1	0	0	0	0	0
Band D	0	1	0	0	0	0	0
<b>TOTAL</b>	<b>17</b>	<b>26</b>	<b>65.4</b>	<b>623</b>	<b>36 647.1</b>	<b>2.1</b>	<b>30 218</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 2015 and 31 March 2016**

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Contract (level 9-12)	1	100	1	100	0	0
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016**

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	1	50	1	50	0	0
Professionals and managers	1	50	1	50	0	0
<b>TOTAL</b>	<b>2</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>0</b>	<b>0</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 April 2015 and 31 March 2016**

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)
Skilled (levels 3-5)	253	90.9	35	13.3	7	161
Highly skilled production (levels 6-8)	949	96.3	132	50.2	7	909
Highly skilled supervision (levels 9 -12)	568	88.6	82	31.2	7	1 073
Top and Senior management (levels 13-16)	54	87	9	3.4	6	175
Contract (Levels 1-2)	3	100	1	0.4	3	1
Contract (Levels 3-5)	8	87.5	3	1.1	3	5
Contract (Level 9-12)	10	100	1	0.4	10	14
<b>Total</b>	<b>1 845</b>	<b>92.9</b>	<b>263</b>	<b>100</b>	<b>7</b>	<b>2 338</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2015 and 31 March 2016**

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)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 April 2015 and 31 March 2016**

Salary band	Total days taken	Average days per employee	Number of Employees using annual leave
Skilled Levels 3-5)	1 396	22	63
Highly skilled production (Levels 6-8)	9 535	25	381
Highly skilled supervision (Levels 9-12)	3 579	31	114
Senior management (Levels 13-16)	495	14	33
Contract (Levels 1-2)	10	3	3
Contract (Levels 3-5)	42	11	4
Contract (Levels 6-8)	32	11	3
Contract (Levels 9-12)	78	16	5
Contract (Levels 13-16)	6	6	1
<b>Total</b>	<b>15 101</b>	<b>139</b>	<b>607</b>

**Table 3.10.4 Capped leave for the period 1 April 2015 and 31 March 2016**

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2015	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2015	Number of Employees as at 31 December 2015
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	3	3	72	1	4 438	62
Senior management (Levels 13-16)	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>72</b>	<b>1</b>	<b>4 438</b>	<b>62</b>

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

**Table 3.10.5 Leave payouts for the period 1 April 2015 and 31 March 2016**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	12	1	12
Capped leave payouts on termination of service for 2015/16	1 429	29	77
Current leave payout on termination of service for 2015/16	806	17	47
<b>Total</b>	<b>2 247</b>	<b>47</b>	<b>65</b>

### 3.11 HIV/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
None	None

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		CD: 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		Manager Assistant Manager Administration officer

Question	Yes	No	Details, if yes
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		HIV and AIDS awareness programmes Educational and Prevention Programmes( Condom distribution) Positive living by Cogta trained champions Support groups and Referral systems HIV Counselling and Testing by GEMS
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes.		Committee members: Mr IP Chiloane: Employee Health & Wellness Ms NL Malupe: Special Programmes/ EHW Mr B.Simelane: Supply Chain Management Ms N Ndubazi: Legal Services Ms N. Mnisi:MIG Ms A Ngomane: TSC Centres Mr W.Themba; HR Services Mr M. Mbethe: Salaries Mr S Singwane MIG Mr W Themba : Nehawu Ms E Maluleka: Rural Developmen tMs Phumzile Nyoni Municipal Administration Ms L Shongwe : LED Ms L Msibi: Communications Mr K Manzini: Public Participation Ms KM Letele: Employee Health and Wellness Ms Smangele Ntuli House of Traditional
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		HIV and AIDS policy
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		Confidential Counselling Confidential referral to relevant doctor Support group for both the infected and affected members to the Provincial clinic
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		GEMS are conducting the tests. The results are available in the wellness office. The statistics cannot be revealed for confidentiality purposes. .
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		A questionnaire on impact assessment is being administered during the last quarter of the year in the Department. After that a report on the findings is being compiled and It assist in the planning of the programmes that need to be implemented in the next financial year.

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2015 and 31 March 2016**

Total number of collective agreements	None
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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 2015 and 31 March 2016**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	1	5.88%
Final written warning	6	35.29%
Suspended without pay	3	17.65%
Fine	0	0%
Demotion	0	0%
Dismissal	3	17.65%
Not guilty	0	0%
Case withdrawn	4	23.53%
<b>Total</b>	<b>17</b>	<b>100%</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016**

Type of misconduct	Number	% of total
Violation of Section 30 of the Public Service Act	2	22%
Insubordination	3	33%
Irregular S&T Claims	1	11%
Unauthorised selling of sites	1	11%
Absenteeism	1	11%
Negligence	0	0%
Reckless Driving	1	11%
<b>Total</b>	<b>9</b>	<b>100%</b>

**Table 3.12.4 Grievances logged for the period 1 April 2015 and 31 March 2016**

Grievances	Number	% of Total
Number of grievances resolved	6	66.7%
Number of grievances not resolved	3	33.3%
<b>Total number of grievances lodged</b>	<b>9</b>	<b>100%</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 and 31 March 2016**

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

**Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016**

There were no strike actions during the period under review

**Table 3.12.7 Precautionary suspensions for the period 1 April 2015 and 31 March 2016**

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	90
Cost of suspension(R'000)	R 263

### 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 2015 and 31 March 2016**

Occupational category	Gender	Number of employees as at 1 April 2015	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	12	0	5	5	10
	Male	16	0	5	3	8
Professionals	Female	33	0	2	2	4
	Male	38	0	2	2	4
Technicians and associate professionals	Female	91	0	2	2	4
	Male	83	0	2	2	4
Clerks	Female	288	0	2	0	2
	Male	256	0	2	0	2
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	1	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	26	0	1	0	1
	Male	38	0	0	0	0
Sub Total	Female	451	0	12	9	21
	Male	432	0	11	7	18
<b>Total</b>		<b>883</b>	<b>0</b>	<b>23</b>	<b>16</b>	<b>39</b>

**Table 3.13.2 Training provided for the period 1 April 2015 to 1 April 31 March 2016**

Occupational category	Gender	Number of employees as at 1 April 2015	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	12	0	4	3	7
	Male	16	0	0	0	0
Professionals	Female					
	Male	33	0	1	1	2
Technicians and associate professionals	Female	38	0	0	0	0
	Male	91	0	8	8	16
Clerks	Female	288	0	8	8	16
	Male	256	0	8	3	11
Service and sales workers	Female					
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	26	0	1	0	1
Sub Total	Female	38	0	0	0	0
	Male	451	0	22	20	42
<b>Total</b>		<b>432</b>	<b>0</b>	<b>15</b>	<b>11</b>	<b>26</b>

### 3.14 Injury on duty

There was no injury on duty reported during the period under review

### 3.15 Utilisation of Consultants

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 31 March 2016 and 31 March 2016**

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

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

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 31 March 2016 and 31 March 2016**

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 31 March 2016 and 31 March 2016**

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

**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 31 March 2016 and 31 March 2016**

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

### Severance Packages

There were no Severance Packages paid during the period under review



**PART E**  
**FINANCIAL INFORMATION**

# **REPORT OF THE AUDITOR GENERAL**

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**31 MARCH 2016**

## Auditor's report

### 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 financial statements

##### Introduction

1. I have audited the financial statements of the Department of Co-operative Governance and Traditional Affairs set out on pages 71 to 116, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

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

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard prescribed by the National Treasury (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

##### Opinion

6. 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 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS and the requirements of the PFMA and DoRA.

##### Report on other legal and regulatory requirements

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion on these matters.

##### Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:

- Programme 2: local governance on pages 21 to 26
- Programme 3: development and planning on pages 26 to 32
- Programme 4: traditional institution management on pages 32 to 34

9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.

10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

11. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: local governance
- Programme 3: development and planning
- Programme 4: traditional institution management

**Additional matter**

12. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

**Achievement of planned targets**

13. Refer to the annual performance report on pages 18 to 37 for information on the achievement of the planned targets for the year.

**Compliance with legislation**

14. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

**Internal control**

15. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

**Other reports**

16. I draw attention to the following engagements that could potentially have an impact on the department's financial, performance and compliance-related matters. My opinion is not modified in respect of these engagements that are in progress.

**Investigations**

17. The Special Investigations Unit is conducting an investigation into alleged irregularities within the department in respect of the Water for all flagship project. The investigation was still ongoing at the reporting date.

18. The Office of the Premier's Integrity Monitoring Unit is conducting 61 investigations (35 of which were initiated in the current financial year) into alleged supply chain management contraventions, unethical behaviour and financial misconduct by departmental employees. These proceedings are currently in progress.

19. The Office of the Premier is conducting an investigation into alleged unethical behaviour by a senior departmental employee. The investigation was still ongoing at the reporting date.

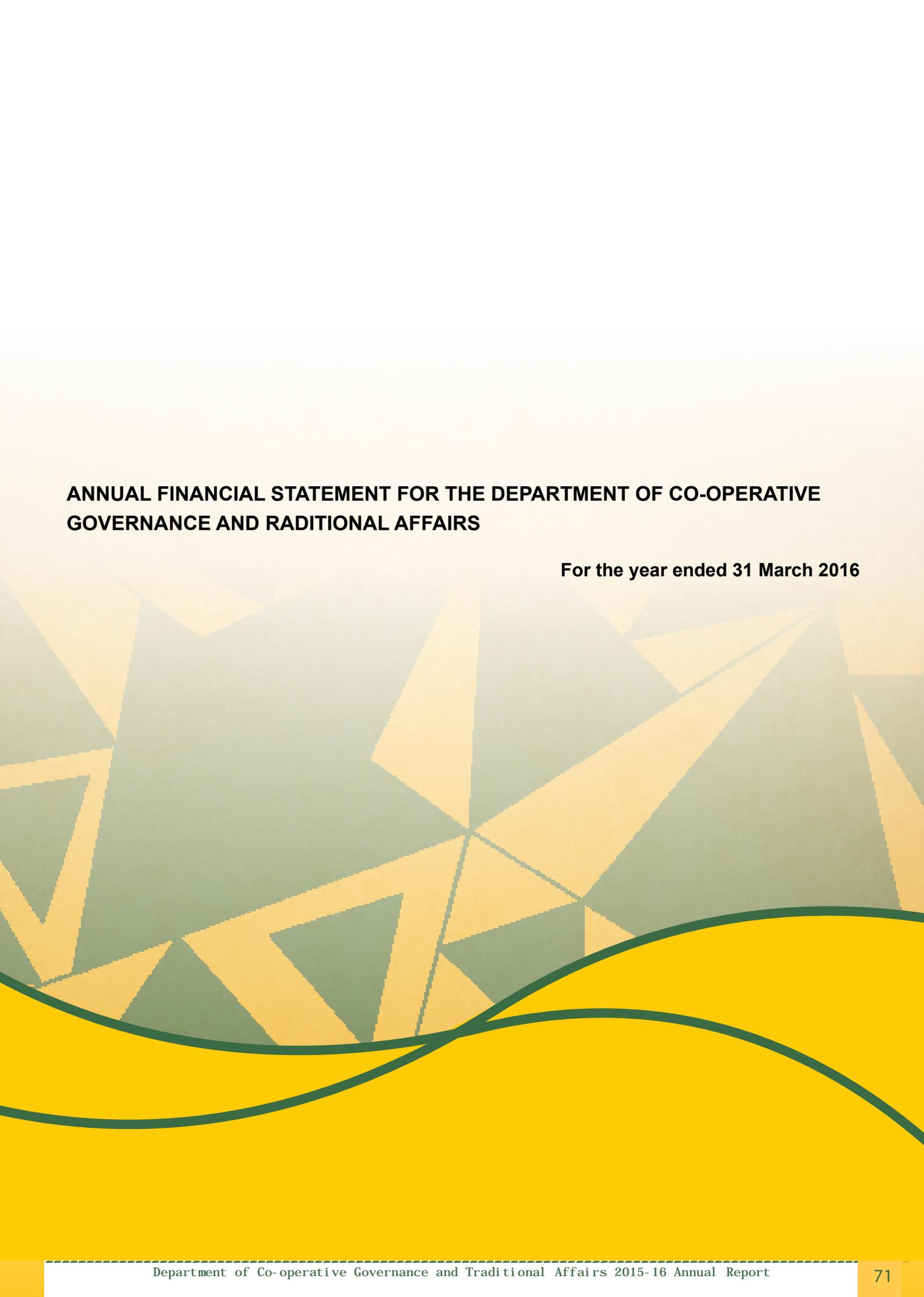
*Auditor-General*

**Mbombela**  
**29 July 2016**



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*



**ANNUAL FINANCIAL STATEMENT FOR THE DEPARTMENT OF CO-OPERATIVE  
GOVERNANCE AND RADITIONAL AFFAIRS**

**For the year ended 31 March 2016**

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(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPOPRIATION STATEMENT

for the year ended 31 March 2016

Appropriation per programme									
	2015/16							2014/15	
	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	111 219	-	5 536	116 755	116 703	52	100.0%	100 852	100 722
2. Local Governance	153 218	-	(1 771)	151 447	151 327	120	99.9%	152 847	152 839
3. Development and Planning	48 726	-	120	48 846	48 844	2	100.0%	102 946	99 447
4. Traditional Institutional Management	146 651	-	(5 036)	141 615	141 577	38	100.0%	91 462	91 224
5 The House of Traditional Leaders	16 478		1 151	17 629	17 629	-	100.0%	15 154	15 025
<b>Subtotal</b>	<b>476 292</b>	-	-	<b>476 292</b>	<b>476 080</b>	<b>212</b>	<b>100.0%</b>	<b>463 261</b>	<b>459 257</b>
Statutory Appropriation	-	-	-	-	-	-	-	1 826	1 824
Members Remuneration	-	-	-	-	-	-	-	1 826	1 824
<b>TOTAL</b>	<b>476 292</b>	-	-	<b>476 292</b>	<b>476 080</b>	<b>212</b>	<b>100.0%</b>	<b>465 087</b>	<b>461 081</b>

	2015/16			2014/15	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)					
Reconciliation with statement of financial performance					
ADD					
<b>Departmental receipts</b>	<b>2 073</b>		<b>1 501</b>		
Actual amounts per statement of financial performance (total revenue)	478 365		466 588		
ADD					
<b>Aid assistance</b>					
<b>Prior year unauthorised expenditure approved without funding</b>					
Actual amounts per statement of financial performance (total expenditure)		<b>476 080</b>		<b>461 081</b>	

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2016

Appropriation per economic classification									
	2015/16							2014/15	
	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
Economic classification									
Current payments	414 920	(3 582)	(2 982)	408 356	408 146	211	99.9%	405 232	405 923
<b>Compensation of employees</b>	<b>351 895</b>	<b>(7 775)</b>	<b>(3 143)</b>	<b>341 289</b>	<b>341 175</b>	<b>114</b>	<b>100.0%</b>	<b>323 659</b>	<b>323 635</b>
Salaries and wages	308 645	(7 293)	(2 495)	299 169	299 078	91	100.0%	285 828	285 836
Social contributions	43 250	(482)	(648)	42 120	42 097	23	99.9%	37 831	37 799
<b>Goods and services</b>	<b>63 025</b>	<b>4 193</b>	<b>161</b>	<b>67 067</b>	<b>66 971</b>	<b>97</b>	<b>99.9%</b>	<b>81 573</b>	<b>82 288</b>
Administrative fees	696	(132)	(41)	522	508	14	96.9%	919	713
Advertising	1 180	18	-	1 198	1 198	-	100.9%	1 478	1 479
Minor assets	729	(94)	-	635	635	-	100.0%	280	280
Audit costs: External	2 299	552	-	2 851	2 851	-	100.0%	4 507	4 505
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 908	2 044	(182)	3 770	3 766	4	99.5%	1 770	2 069
Communication	6 919	(137)	(2)	6 780	6 775	5	99.9%	7 395	7 277
Computer services	282	(62)	-	220	219	1	99.5%	1 427	1 426
Consultants: Business and advisory services	1 421	(385)	150	1 186	1 155	31	97.3%	8 993	10 415
Infrastructure and planning services	3 000	(236)	-	2 764	2 764	-	100.0%	1 121	1 121
Legal services	2 665	2 138	-	4 803	4 803	-	100.0%	1 729	1 728
Contractors	489	187	235	911	910	1	100.0%	1 083	1 321
Agency and support / out-sourced services	223	(223)	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3 425	(176)	-	3 249	3 248	1	100.0%	3 279	3 276
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	312	(75)	-	237	237	-	100.0%	26	25
Inventory: Materials and supplies	2400	(18)	-	2382	2382	-	-	284	284
Inventory: Other supplies	-	100	-	100	103	(3)	100.1%	12 843	12 843
Consumable supplies	548	(219)	-	329	325	4	98.8%	930	667
Consumable: Stationery, printing and office supplies	1 354	251	-	1 605	1 605	-	100.0%	1 188	1 172
Operating leases	7 250	413	-	7 663	7 663	-	100.0%	6 589	6 587
Property payments	4 881	(1 028)	-	3 853	3 853	-	100.0%	3 660	2 932
Transport provided: Departmental activity	150	-	-	150	-	150	-	-	-
Travel and subsistence	15 240	347	34	15 621	15 737	(116)	99.8%	17 832	17 935
Training and development	2 600	(910)	(29)	1 661	1 660	1	99.9%	733	732
Operating payments	1 825	21	(8)	1 838	1 833	5	99.8%	2 493	2 066
Venues and facilities	1 216	1 506	4	2 726	2 728	(2)	100.1%	1 014	840
Rental and hiring	13	-	-	13	13	-	100.0%	-	-
Transfers and subsidies	20 893	767	-	21 660	21 658	2	100.0%	23 055	22 815
<b>Provinces and municipalities</b>	<b>40</b>	<b>(16)</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>95.8%</b>	<b>11 040</b>	<b>11 025</b>
<b>Provinces</b>								<b>40</b>	<b>25</b>
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	40	25
<b>Municipalities</b>	<b>40</b>	<b>(16)</b>	<b>-</b>	<b>24</b>	<b>23</b>	<b>1</b>	<b>95.8%</b>	<b>11 000</b>	<b>11 000</b>
<b>Municipal bank accounts</b>	<b>40</b>	<b>(16)</b>	<b>-</b>	<b>24</b>	<b>23</b>	<b>1</b>			
Municipal agencies and funds									
<b>Departmental agencies and accounts</b>								<b>3</b>	<b>3</b>
Social security funds									

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPOPRIATION STATEMENT  
for the year ended 31 March 2016

Departmental agencies and accounts			-	-	-	-	-	3	3
<b>Non-profit institutions</b>	<b>20 273</b>	-	<b>(873)</b>	<b>19 400</b>	<b>19 400</b>	-	<b>100.0%</b>	<b>10 976</b>	<b>10 760</b>
<b>Households</b>	<b>580</b>	<b>783</b>	<b>873</b>	<b>2 236</b>	<b>2 235</b>	<b>1</b>	<b>100.0%</b>	<b>1 036</b>	<b>1 027</b>
Social benefits	580	783	873	2 236	2 235	1	100.0%	1 036	1 027
Other transfers to households				-	-	-	-		
Payments for capital assets	40 130	2 733	2 982	45 845	45 845	-	100.0%	36 800	32 343
<b>Buildings and other fixed structures</b>	<b>4 516</b>	<b>2 428</b>	<b>120</b>	<b>7 064</b>	<b>7 064</b>	-	<b>100.0%</b>	<b>33 141</b>	<b>28 690</b>
Buildings	4 500	1 057	-	5 557	5 557	-	100.0%	-	-
Other fixed structures	16	1 371	120	1 507	1 507	-	100.0%	33 141	28 690
<b>Machinery and equipment</b>	<b>35 534</b>	<b>385</b>	<b>2 862</b>	<b>38 781</b>	<b>38 781</b>	-	<b>100.0%</b>	<b>3 596</b>	<b>3 594</b>
Transport equipment	33 984	490	1 545	36 019	36 019	-	100.0%	1 837	1 836
Other machinery and equipment	1 550	(105)	1 317	2 762	2 762	-	100.0%	1 759	1 758
<b>Intangible assets</b>	<b>80</b>	<b>(80)</b>	-	-	-	-	-	<b>63</b>	<b>59</b>
	-		-	-	-				
<b>Payments for financial assets</b>	<b>349</b>	<b>82</b>	-	<b>431</b>	<b>431</b>	-	-	-	-
<b>TOTAL</b>	<b>476 292</b>	-	-	<b>476 292</b>	<b>476 080</b>	<b>212</b>	<b>100.0%</b>	<b>465 087</b>	<b>461 081</b>

Statutory Appropriation per economic classification									
	2015/16							2014/15	
	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
Current payments									
<b>Compensation of employees</b>	-	-	-	-	-	-	-	<b>1 826</b>	<b>1 824</b>
<b>TOTAL</b>	-	-	-	-	-	-	-	<b>1 826</b>	<b>1 824</b>

Programme 1: ADMINISTRATION									
	2015/16							2014/15	
	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
Sub programme									
1. Office of the MEC	7 853	968	-	8 821	8 817	4	100.0%	5 299	5 295
2. Corporate Service	103 366	(968)	5 536	107 934	107 886	48	100.0%	95 553	95 427
<b>Total for sub programmes</b>	<b>111 219</b>	-	<b>5 536</b>	<b>116 755</b>	<b>116 703</b>	<b>52</b>	<b>100.0%</b>	<b>100 852</b>	<b>100 722</b>
Economic classification									
<b>Current payments</b>	<b>107 686</b>	<b>(2 261)</b>	-	<b>105 425</b>	<b>105 375</b>	<b>50</b>	<b>100.0%</b>	<b>96 639</b>	<b>96 534</b>
<b>Compensation of employees</b>	<b>68 916</b>	<b>(3 414)</b>	-	<b>65 502</b>	<b>65 467</b>	<b>35</b>	<b>99.9%</b>	<b>59 684</b>	<b>59 685</b>
Salaries and wages	60 081	(3 262)	-	56 819	56 796	23	100.0%	51 839	51 861
Social contributions	8 835	(152)	-	8 683	8 671	12	99.9%	7 845	7 824
<b>Goods and services</b>	<b>38 770</b>	<b>1 153</b>	-	<b>39 923</b>	<b>39 908</b>	<b>15</b>	<b>100.0%</b>	<b>36 955</b>	<b>36 849</b>
Administrative fees	273	(73)	-	200	198	2	98.5%	402	399
Advertising	1 000	(99)	-	901	901	-	100.0%	1 281	1 280
Minor assets	709	(94)	-	615	615	-	100.0%	280	280
Audit costs: External	2 299	552	-	2 851	2 851	-	100.0%	3 654	3 653
Bursaries: Employees				-	-	-	-		
Catering: Departmental activities	618	818	-	1 436	1 436	-	100.0%	390	384
Communication	5 717	(73)	-	5 644	5 643	1	100.0%	6 127	6 117
Computer services	157	(62)	-	95	95	-	100.0%	116	115
Consultants: Business and advisory services	341	(225)	-	116	115	1	99.1%	506	493
Legal services	2 165	2 138	-	4 303	4 303	-	100.0%	1 729	1 728

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2016

Contractors	260	64	-	324	323	1	100.0%	574	544
Entertainment	223	(223)	-	-	-	-	-	-	-
Fleet services	3 425	(176)	-	3 249	3 248	1	100.0%	3 279	3 276
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	--	26	25
Inventory: Other supplies	-	-	-	-	2	(2)	-	-	-
Consumable supplies	518	(201)	-	317	314	3	99.1%	463	445
Consumable: Stationery, printing and office supplies	1 354	251	-	1 605	1 605	-	100.0%	1 188	1 172
Operating leases	7 250	413	-	7 663	7 663	-	100.0%	6 589	6 587
Property payments	4 881	(1 028)	-	3 853	3 853	-	100.0%	3 549	3 529
Travel and subsistence	4 364	(756)	-	3 608	3 601	7	99.8%	4 786	4 815
Training and development	2 200	(910)	-	1 290	1 290	-	100.0%	733	732
Operating payments	672	23	-	695	695	-	100.0%	1 043	1 038
Venues and facilities	331	814	-	1 145	1 144	1	99.9%	240	237
Rental and hiring	13	-	-	13	13	-	100.0%	-	-
Transfers and subsidies	620	767	873	2 260	2 258	2	99.9%	1 079	1 055
<b>Provinces and municipalities</b>	<b>40</b>	<b>(16)</b>		<b>24</b>	<b>23</b>	<b>1</b>	<b>95.8%</b>	<b>40</b>	<b>25</b>
<b>Provinces</b>				-				<b>40</b>	<b>25</b>
Provincial agencies and funds	40	(16)		24	23	1	95.8%	40	25
<b>Municipalities</b>	<b>40</b>	<b>(16)</b>		<b>24</b>	<b>23</b>	<b>1</b>	<b>95.5%</b>	-	-
<b>Departmental agencies and accounts</b>	-							<b>3</b>	<b>3</b>
Departmental agencies	-							<b>3</b>	<b>3</b>
Non-profit institutions	-							-	-
<b>Households</b>	<b>580</b>	<b>783</b>	<b>873</b>	<b>2 236</b>	<b>2 235</b>	<b>1</b>	<b>100.0%</b>	<b>1 036</b>	<b>1 027</b>
Social benefits	580	783	873	2 236	2 235	1	100.0%	1 036	1 027
<b>Payments for capital assets</b>	<b>2 564</b>	<b>1 412</b>	<b>4 663</b>	<b>8 639</b>	<b>8 639</b>	-	<b>100.0%</b>	<b>3 134</b>	<b>3 133</b>
<b>Buildings and other fixed structures</b>	-	<b>405</b>	-	<b>405</b>	<b>405</b>	-	<b>100.0%</b>	-	-
Buildings	-	405	-	405	405	-	100.0%	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
<b>Machinery and equipment</b>	<b>2 534</b>	<b>1 037</b>	<b>4 663</b>	<b>8 234</b>	<b>8 234</b>	-	<b>100.0%</b>	<b>3 111</b>	<b>3 110</b>
Transport equipment	984	1 142	3 346	5 472	5 472	-	100.0%	1 837	1 836
Other Machinery	1 550	(105)	1 317	2 762	2 762	-	100.0%	1 274	1 274
Intangible assets	30	(30)	-	-	-	-	-	23	23
<b>Payments for financial assets</b>	<b>349</b>	<b>82</b>	-	<b>431</b>	<b>431</b>	-	<b>100.0%</b>	-	-
<b>TOTAL</b>	<b>111 219</b>	-	<b>5 536</b>	<b>116 755</b>	<b>116 703</b>	<b>52</b>	<b>100.0%</b>	<b>100 852</b>	<b>100 722</b>

1.1 OFFICE OF THE MEC

	2015/16						2014/15		
	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>7 853</b>	<b>968</b>	-	<b>8 821</b>	<b>8 817</b>	<b>4</b>	<b>100.0%</b>	<b>5 299</b>	<b>5 295</b>
Compensation of employees	5 024	(114)	-	5 559	5 555	4	99.9%	3 251	3 249
Goods and services	2 180	1 082	-	3 262	3 262	-	100.0%	2 048	2 046
<b>TOTAL</b>	<b>7 853</b>	<b>968</b>	-	<b>8 821</b>	<b>8 817</b>	<b>4</b>	<b>100.0%</b>	<b>5 299</b>	<b>5 295</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2016

1.2 CORPORATE SERVICES									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	99 833	(3 229)	-	96 604	96 558	46	100.0%	91 340	91 239
Compensation of employees	63 243	(3 300)	-	59 943	59 912	31	99.9%	56 433	56 436
Goods and services	36 590	71	-	36 661	36 646	15	100.0%	34 907	34 803
Transfers and subsidies	620	767	873	2 260	2 258	2	99.9%	1 079	1 055
Provinces and municipalities	40	(16)	-	24	23	1	95.8%	40	25
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	3	3
Non-profit institutions									
Households	580	783	873	2 236	2 235	(1)	100.0%	1 036	1 027
Payments for capital assets	2 564	1 412	4 663	8 639	8 639	-	100.0%	3 134	3 133
Buildings and other fixed structures	-	405	-	405	405	-	100.0%	-	-
Machinery and equipment	984	1 142	3 346	5 472	5 472	-	100.0%	3 111	3 110
Transport equipment	1 550	(105)	1 317	2 762	2 762	-	100.0%	-	-
Software	30	(30)	-	-	-	-	-	23	23
Payments for financial assets	349	82	-	431	431	-	100.0%	-	-
<b>TOTAL</b>	<b>103 366</b>	<b>(968)</b>	<b>5 536</b>	<b>107 934</b>	<b>107 886</b>	<b>48</b>	<b>100.0%</b>	<b>95 553</b>	<b>95 427</b>

Programme 2: LOCAL GOVERNANCE									
Sub programme	2015/16							2014/15	
	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	2 621	26	(415)	2 232	2 228	4	99.8%	1 935	1 903
2. Municipal Administration	8 077	(44)	(286)	7 747	7 709	38	99.5%	6 483	6 200
3. Municipal Finance	-	-	-	-	-	-	-	13 779	14 077
4. Public Participation	-	-	-	-	-	-	-	-	-
5. Capacity Development	133 490	18	(131)	133 377	133 315	62	100.0%	124 030	124 043
	3 861	-	(306)	3 555	3 546	9	99.7%	3 032	2 995
6. Municipal Performance Monitoring and Evaluation	5 169	-	(633)	4 536	4 529	7	99.8%	3 588	3 621
<b>Total for sub programmes</b>	<b>153 218</b>	<b>-</b>	<b>(1 771)</b>	<b>151 447</b>	<b>151 327</b>	<b>120</b>	<b>99.9%</b>	<b>152 847</b>	<b>152 839</b>
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Current payments	153 218	-	(1 771)	151 447	151 327	120	99.9%	152 847	152 839
Compensation of employees	147 656	44	(781)	146 919	146 872	47	100.0%	138 196	138 196
Salaries and wages	122 858	18	(389)	122 487	122 447	40	100.0%	116 834	116 842
Social contributions	24 798	26	(392)	24 432	24 425	7	100.0%	21 362	21 354
Goods and services	5 562	(44)	(990)	4 528	4 455	73	98.4%	14 651	14 643
Administrative fees	103	-	(41)	62	56	6	90.3%	141	86
Advertising	-	-	-	-	-	-	-	51	50
Audit costs: External	-	-	-	-	-	-	-	853	852

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VOTE 04

APPOPRIATION STATEMENT  
for the year ended 31 March 2016

Bursaries: Employees									
Catering: Departmental activities	353	-	(182)	171	167	4	97.7%	413	385
Communication	389	-	(2)	387	383	4	99.0%	437	427
Computer services									
Consultants: Business and advisory services	100	(44)	(27)	29	-	29	-	8 107	8 244
Legal Service	500	-	-	500	500	-	100.0%	-	-
Transport provided: Departmental activity	150	-	-	150		150	-	-	-
Travel and subsistence	3 041	-	(574)	2 467	2 588	(121)	104.%	4 088	4 073
Training and development	400	-	(29)	371	370	1	99.7%	-	-
Operating payments	346	-	(9)	337	338	(1)	100.3%	399	373
Venues and facilities	180	-	(126)	54	53	1	98.1%	162	153
Rental and hiring	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>153 218</b>	<b>-</b>	<b>(1 771)</b>	<b>151 447</b>	<b>151 327</b>	<b>120</b>	<b>99.9%</b>	<b>152 847</b>	<b>152 839</b>

2.1 OFFICE SUPPORT

	2015/16							2014/15	
	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
Current payments	2 621	26	(415)	2 232	2 228	4	99.8%	1 935	1 903
Compensation of employees	2 302	26	(407)	1 921	1 920	1	99.9%	1 685	1 682
Goods and services	319	-	(8)	311	308	3	99.0%	250	221
Payments for financial assets									
<b>Total</b>	<b>2 621</b>	<b>26</b>	<b>(415)</b>	<b>2 232</b>	<b>2 228</b>	<b>4</b>	<b>99.8%</b>	<b>1 935</b>	<b>1 903</b>

2.2 MUNICIPAL ADMINISTRATION

	2015/16							2014/15	
	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
Current payments	8 077	(44)	(286)	7 747	7 709	38	99.5%	6 483	6 200
Compensation of employees	6 655	-	(125)	6 530	6 528	2	100.0%	5 268	5 266
Goods and services	1 422	(44)	(161)	1 217	1 181	36	97.0%	1 215	934
<b>Total</b>	<b>8 077</b>	<b>(44)</b>	<b>(286)</b>	<b>7 747</b>	<b>7 709</b>	<b>38</b>	<b>99.5%</b>	<b>6 483</b>	<b>6 200</b>

2.3 MUNICIPAL FINANCE

	2015/16							2014/15	
	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
Current payments	-	-	-	-	-	-	-	13 779	14 077
Compensation of employees	-	-	-	-	-	-	-	4 242	4 236
Goods and services	-	-	-	-	-	-	-	9 537	9 841
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 779</b>	<b>14 077</b>

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APPROPRIATION STATEMENT  
for the year ended 31 March 2016

2.4 PUBLIC PARTICIPATION									
Economic classification	2015/16							2014/15	
	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>133 490</b>	<b>18</b>	<b>(131)</b>	<b>133 377</b>	<b>133 315</b>	<b>62</b>	<b>100.0%</b>	<b>124 030</b>	<b>124 043</b>
Compensation of employees	131 400	18	121	131 539	131 499	40	100.0%	121 371	121 383
Goods and services	2 090	-	(252)	1 838	1 816	22	98.8%	2 659	2 660
Interest and rent on land									
<b>Total</b>	<b>133 490</b>	<b>18</b>	<b>(131)</b>	<b>133 377</b>	<b>133 315</b>	<b>62</b>	<b>100.0%</b>	<b>124 030</b>	<b>124 043</b>

2.5 CAPACITY DEVELOPMENT									
Economic classification	2015/16							2014/15	
	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>3 861</b>	<b>-</b>	<b>(306)</b>	<b>3 555</b>	<b>3 546</b>	<b>9</b>	<b>99.7%</b>	<b>3 032</b>	<b>2 995</b>
Compensation of employees	2 923	-	(49)	2 874	2 872	2	99.9%	2 584	2 570
Goods and services	938	-	(257)	681	674	7	99.0%	448	425
<b>Total</b>	<b>3 861</b>	<b>-</b>	<b>(306)</b>	<b>3 555</b>	<b>3 546</b>	<b>9</b>	<b>99.7%</b>	<b>3 032</b>	<b>2 995</b>

2.6 MUNICIPAL PERFORMANCE MONITORING AND EVALUATION									
Economic classification	2015/16							2014/15	
	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>5 169</b>	<b>-</b>	<b>(633)</b>	<b>4 536</b>	<b>4 529</b>	<b>7</b>	<b>99.8%</b>	<b>3 588</b>	<b>3 621</b>
Compensation of employees	4 376	-	(321)	4 055	4 053	2	100.0%	3 046	3 059
Goods and services	793	-	(312)	481	476	5	99.0%	542	562
<b>Total</b>	<b>5 169</b>	<b>-</b>	<b>(633)</b>	<b>4 536</b>	<b>4 529</b>	<b>7</b>	<b>99.8%</b>	<b>3 588</b>	<b>3 621</b>

Programme 3: DEVELOPMENT AND PLANNING									
Economic classification	2015/16							2014/15	
	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
Sub programme									
1. Office Support	1 407	(35)	-	1 372	1 371	1	99.9%	1 355	1 312
2. Spatial Planning	4 767	(449)	-	4 318	4 318	-	100.0%	18 162	18 158
3. Land Use Management	16 287	327	-	16 614	16 614	-	100.0%	773	768
4. Integrated Development and Plan (IDP)	3 265	(433)	-	2 832	2 832	-	100.0%	3 326	3 321
5. Local Economic Development and Plan (LED)	7 643	(306)	-	7 337	7 338	(1)	100.0%	10 380	10 120
6. Municipal Infrastructure	6 429	1 370	120	7 919	7 917	2	100.0%	48 111	44 681
7. Disaster Management	8 928	(474)	-	8 454	8 454	-	100.0%	20 839	21 087
<b>Total for sub programmes</b>	<b>48 726</b>	<b>-</b>	<b>120</b>	<b>48 846</b>	<b>48 844</b>	<b>2</b>	<b>100.0%</b>	<b>102 946</b>	<b>99 447</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>48 660</b>	<b>(1 321)</b>	<b>-</b>	<b>47 339</b>	<b>47 337</b>	<b>2</b>	<b>100.0%</b>	<b>58 280</b>	<b>59 237</b>

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APPROPRIATION STATEMENT  
for the year ended 31 March 2016

Compensation of employees	38 028	(1 935)	-	36 093	36 094	(1)	100.0%	38 260	38 260
Salaries and wages	33 577	(1 665)	-	31 912	31 922	(10)	100.0%	34 251	34 248
Social contributions	4 451	(270)	-	4 181	4 172	9	99.8%	4 009	4 012
Goods and services	10 632	614	-	11 246	11 243	3	100.0%	20 020	20 977
Administrative fees	93	(19)	-	74	72	2	97.3%	45	40
Advertising	100	(14)	-	86	86	-	100.0%	66	66
Minor assets	20	-	-	20	20	-	100.0%	-	-
Catering: Departmental activities	345	565	-	910	912	(2)	100.2%	267	271
Communication	360	(51)	-	309	309	-	100.0%	276	277
Computer services	125	-	-	125	124	1	99.2%	1 311	1 311
Consultants: Business and advisory services	280	(116)	-	164	163	1	99.4%	80	1 057
Infrastructure and planning services	3 000	(236)	-	2 764	2 764	-	100.0%	1 121	1 121
Contractors	-	1	-	1	2	(1)	200.0%	-	-
Inventory: Clothing material and supplies	312	(75)	-	237	237	-	100.0%	-	-
Inventory: Materials and supplies	2400	(18)	-	2382	2382	-	-	284	284
Inventory: Other supplies	-	100	-	100	101	(1)	100.0%	12 843	12 843
Consumable supplies	30	(18)	-	12	11	1	91.7%	467	222
Property payments	-	-	-	-	-	-	-	111	380
Travel and subsistence	2 843	115	-	2 958	2 957	1	100.0%	2 754	2 714
Training and development									
Operating payments	349	(1)	-	348	347	1	99.7%	263	261
Venues and facilities	375	381	-	756	756	-	100.0%	132	130
Transfers and subsidies	-	-	-	-	-	-	-	11 000	11 000
Provinces and municipalities	-	-	-	-	-	-	-	11 000	11 000
Payments for capital assets	66	1 321	120	1 507	1 507	-	100.0%	33 666	29 210
Buildings and other fixed structures	16	1 371	120	1 507	1 507	-	-	33 141	28 690
Buildings	16	1 371	120	1 507	1 507	-	100.0%	-	-
Other fixed structures	-	-	-	-	-	-	-	33 141	28 690
Machinery and equipment	-	-	-	-	-	-	-	485	484
Other machinery and equipment	-	-	-	-	-	-	-	485	484
Intangible assets	50	(50)	-	-	-	-	-	40	36
<b>Total</b>	<b>48 726</b>	<b>-</b>	<b>120</b>	<b>48 846</b>	<b>48 844</b>	<b>2</b>	<b>100.0%</b>	<b>102 946</b>	<b>99 447</b>

3.1 OFFICE SUPPORT

Economic classification	2015/16						2014/15		
	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>1 407</b>	<b>(35)</b>	<b>-</b>	<b>1 372</b>	<b>1 371</b>	<b>1</b>	<b>99.9%</b>	<b>1 355</b>	<b>1 312</b>
Compensation of employees	1 221	(20)	-	1 201	1 200	1	99.9%	1 161	1 160
Goods and services	186	(15)	-	171	171	-	100.0%	194	152
<b>Total</b>	<b>1 407</b>	<b>(35)</b>	<b>-</b>	<b>1 372</b>	<b>1 371</b>	<b>1</b>	<b>99.9%</b>	<b>1 355</b>	<b>1 312</b>

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APPOPRIATION STATEMENT  
for the year ended 31 March 2016

3.2 SPATIAL PLANNING									
2015/16								2014/15	
	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
Current payments	4 717	(399)	-	4 318	4 318	-	100.0%	18 162	18 158
Compensation of employees	4 002	(303)	-	3 699	3 700	(1)	100.0%	15 651	15 651
Goods and services	715	(96)	-	619	618	1	99.8%	2 511	2 507
Intangible Assets	50	(50)	-	-	-	-	-	-	-
<b>Total</b>	<b>4 767</b>	<b>(449)</b>	<b>-</b>	<b>4 318</b>	<b>4 318</b>	<b>-</b>	<b>100.0%</b>	<b>18 162</b>	<b>18 158</b>

3.3 LAND USE MANAGEMENT									
2015/16								2014/15	
	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
Current payments	16 287	327	-	16 614	16 614	-	100.0%	733	732
Compensation of employees	12 053	(508)	-	11 545	11 549	(4)	100.0%	694	693
Goods and services	4 234	835	-	5 069	5 065	4	99.9%	39	39
Payments for capital assets	-	-	-	-	-	-	-	40	36
Intangible assets	-	-	-	-	-	-	-	40	36
<b>Total</b>	<b>16 287</b>	<b>327</b>	<b>-</b>	<b>16 614</b>	<b>16 614</b>	<b>-</b>	<b>100.0%</b>	<b>773</b>	<b>768</b>

3.4 INTERGRATED DEVELOPMENT AND PLANNING									
2015/16								2014/15	
	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
Current payments	3 265	(433)	-	2 832	2 832	-	100.0%	3 326	3 321
Compensation of employees	2 682	(374)	-	2 308	2 307	1	100.0%	2 793	2 791
Goods and services	583	(59)	-	524	525	(1)	100.2%	533	530
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 265</b>	<b>(433)</b>	<b>-</b>	<b>2 832</b>	<b>2 832</b>	<b>-</b>	<b>100.0%</b>	<b>3 326</b>	<b>3 321</b>

3.5 LOCAL ECONOMIC DEVELOPMENT (LED)									
2015/16								2014/15	
	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
Current payments	7 643	(306)	-	7 337	7 338	(1)	100.0%	10 380	10 120
Compensation of employees	7 121	(643)	-	6 478	6 477	1	100%	9 311	9 316
Goods and services	522	337	-	859	861	(2)	100.2%	1 069	804
<b>Total</b>	<b>7 643</b>	<b>(306)</b>	<b>-</b>	<b>7 337</b>	<b>7 338</b>	<b>(1)</b>	<b>100.0%</b>	<b>10 380</b>	<b>10 120</b>

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VOTE 04

APPOPRIATION STATEMENT  
for the year ended 31 March 2016

3.6 MUNICIPAL INFRASTRUCTURE									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 429	(1)	-	6 428	6 426	2	100.0%	4 024	5 029
Compensation of employees	5 481	8	-	5 489	5 489	-	100.0%	3 510	3 510
Goods and services	948	(9)	-	939	937	2	99.8%	514	1 519
Transfers and subsidies	-	-	-	-	-	-	-	11 000	11 000
Provinces and municipalities	-	-	-	-	-	-	-	11 000	11 000
Payments for capital assets	-	1 371	120	1 491	1 491	-	100.0%	33 087	28 652
Buildings and other fixed structures	-	1 371	120	1 491	1 491	-	100.0%	33 087	28 652
<b>Total</b>	<b>6 429</b>	<b>1 370</b>	<b>120</b>	<b>7 919</b>	<b>7 917</b>	<b>2</b>	<b>100.0%</b>	<b>48 111</b>	<b>44 681</b>

3.7 DISASTER MANAGEMENT									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000		R'000	R'000
Current payments	8 912	(474)	-	8 438	8 438	-	100.0%	20 300	20 565
Compensation of employees	5 780	(407)	-	5 373	5 372	1	100.0%	5 140	5 139
Goods and services	3 132	(67)	-	3 066	3 066	(1)	100.0%	15 160	15 426
Payments for capital assets	16	-	-	16	16	-	100.0%	539	522
Buildings & fixed Structure	16	-	-	16	16	-	100.0%	54	38
<b>Machinery and equipment</b>								<b>485</b>	<b>484</b>
<b>Total</b>	<b>8 928</b>	<b>(474)</b>		<b>8 454</b>	<b>8 454</b>		<b>100.0%</b>	<b>20 839</b>	<b>21 087</b>

Programme 4 TRADITIONAL INSTITUTIONAL MANAGEMENT									
Sub programme	2015/16							2014/15	
	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	1 606	(1)	-	1 605	1 602	3	99.8%	1 359	1 332
2 Traditional Institution Administration	19 429	579	(2 235)	17 773	17 773	-	100%	18 858	18 967
3 Traditional Resource Administration	113 971	603	(2 674)	111 900	111 869	31	100%	59 738	59 513
4 Rural Development Facilitation	9 436	(1 263)	(65)	8 108	8 105	3	100%	9 559	9 536
5 Traditional Land Administration	2 209	82	(62)	2 229	2 228	1	100%	1 948	1 876
<b>Total for sub programmes</b>	<b>146 651</b>	<b>-</b>	<b>(5 036)</b>	<b>141 615</b>	<b>141 577</b>	<b>38</b>	<b>100%</b>	<b>91 462</b>	<b>91 224</b>

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APPOPRIATION STATEMENT  
for the year ended 31 March 2016

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
<b>Economic classification</b>									
Current payments	88 878	-	(2 362)	86 516	86 478	38	100.0%	80 486	80 464
Compensation of employees	84 929	(1 300)	(2 362)	81 267	81 234	33	100.0%	75 681	75 659
Salaries and wages	81 328	(1 318)	(2 106)	77 904	77 865	39	100.0%	72 617	72 598
Social contributions	3 601	18	(256)	3 363	3 369	(6)	100.1%	3 064	3 061
Goods and services	3 949	1 300	-	5 249	5 244	5	99.9%	4 805	4 805
Administrative fees	92	(3)	-	89	87	2	97.8%	116	92
Advertising	-	18	-	18	18	-	100.0%	-	83
Catering: Departmental activities	335	411	-	746	743	3	99.6%	360	339
Communication	255	(5)	-	250	251	(1)	100.4%	300	291
Contractors	-	266	-	266	266	-	100.0%	267	342
Travel and subsistence	2 848	103	-	2 951	2 948	3	99.9%	2 967	3 285
Training and development									
Operating payments	339	-	-	339	336	3	99.1%	595	272
Venues and facilities	80	510	-	590	595	(5)	100.8%	200	101
Non-profit institutions	20 273	-	(873)	19 400	19 400	-	100.0%	10 976	10 760
Payments for capital assets	37 500	-	(1 801)	35 699	35 699	-	100.0%	-	-
Buildings and other fixed structures	4 500	652	-	5 152	5 152	-	100.0%	-	-
Buildings									
Transport equipment	33 000	(652)	(1 801)	30 547	30 547	-	100.0%	-	-
Payments for financial assets									
<b>Total</b>	<b>146 651</b>	<b>-</b>	<b>(5 036)</b>	<b>141 615</b>	<b>141 577</b>	<b>38</b>	<b>100.0%</b>	<b>91 462</b>	<b>91 224</b>

4.2 OFFICE SUPPORT

	2015/16							2014/15	
	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
Current payments	1 606	(1)	-	1 605	1 602	3	98.8%	1 359	1 332
Compensation of employees	1 326	29	-	1 355	1 355	-	100.0%	1 218	1 218
Goods and services	280	(30)	-	250	247	3	98.8%	141	114
<b>TOTAL</b>	<b>1 606</b>	<b>(1)</b>	<b>-</b>	<b>1 605</b>	<b>1 602</b>	<b>3</b>	<b>99.8%</b>	<b>1 359</b>	<b>1 332</b>

4.2 TRADITIONAL INSTITUTIONAL ADMINISTRATION

	2015/16							2014/15	
	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
Current payments	19 429	579	(2 235)	17 773	17 773	-	100.0%	18 858	18 967
Compensation of employees	17 609	(619)	(2 235)	14 755	14 754	1	100.0%	16 451	16 450
Goods and services	1 820	1 198	-	3 018	3 019	(1)	100.0%	2 407	2 517
<b>TOTAL</b>	<b>19 429</b>	<b>579</b>	<b>(2 235)</b>	<b>17 773</b>	<b>17 773</b>	<b>-</b>	<b>100.0%</b>	<b>18 858</b>	<b>18 967</b>

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APPROPRIATION STATEMENT  
for the year ended 31 March 2016

4.3 TRADITIONAL RESOURCE ADMINISTRATION									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	56 198	603	-	56 801	56 770	31	99.9%	48 762	48 753
Compensation of employees	55 657	502	-	56 159	56 129	30	99.9%	48 200	48 187
Goods and services	541	101	-	642	641	1	99.8%	562	566
Transfers and subsidies	20 273	-	(873)	19 400	19 400	-	100.0%	10 976	10 760
Non-profit institutions	20 273	-	(873)	19 400	19 400	-	100.0%	10 976	10 760
Payments for capital assets	37 500	-	(1 801)	35 699	35 699	-	100.0%	-	-
Buildings & fixed structures	4 500	652	-	5 152	5 152	-	100.0%	-	-
Machinery and equipment	33 000	(652)	-	30 547	30 547	-	100.0%	-	-
<b>TOTAL</b>	<b>113 971</b>	<b>603</b>	<b>(2 674)</b>	<b>111 900</b>	<b>111 869</b>	<b>31</b>	<b>100.0%</b>	<b>59 738</b>	<b>59 513</b>

4.4 RURAL DEVELOPMENT FACILITATION									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 436	(1 263)	(65)	8 108	8 105	3	100.0%	9 559	9 536
Compensation of employees	8 311	(1 212)	(65)	7 034	7 032	2	100.0%	8 159	8 155
Goods and services	1 125	(51)	-	1 074	1 073	1	99.9%	1 400	1 381
<b>TOTAL</b>	<b>9 436</b>	<b>(1 263)</b>	<b>(65)</b>	<b>8 108</b>	<b>8 105</b>	<b>3</b>	<b>100.0%</b>	<b>9 559</b>	<b>9 536</b>

4.5 TRADITIONAL LAND ADMINISTRATION									
Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	2 209	82	(62)	2 229	2 228	1	100.0%	1 948	1 876
Compensation of employees	2 026	-	(62)	1 964	1 964	-	100.0%	1 653	1 649
Goods and services	183	82	-	265	264	1	99.6%	295	227
<b>TOTAL</b>	<b>2 209</b>	<b>82</b>	<b>(62)</b>	<b>2 228</b>	<b>1</b>	<b>1</b>	<b>100.0%</b>	<b>1 948</b>	<b>1 876</b>

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APPROPRIATION STATEMENT  
for the year ended 31 March 2016

Programme 5: THE HOUSE OF TRADITIONAL LEADERS									
2015/16								2014/15	
	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
Sub programme									
1. Admin House of Traditional House	7 522	(1 103)	-	6 419	6 415	4	99.9%	6 894	6 451
2. Committees and Local Houses	8 956	1 103	1 151	11 210	11 214	(4)	100.0%	8 260	8 574
<b>Total for sub programmes</b>	<b>16 478</b>	<b>-</b>	<b>1 151</b>	<b>17 629</b>	<b>17 629</b>	<b>-</b>	<b>100.0%</b>	<b>15 154</b>	<b>15 025</b>
Economic classification									
<b>Current payments</b>	<b>16 478</b>	<b>-</b>	<b>1 151</b>	<b>17 629</b>	<b>17 629</b>	<b>-</b>	<b>100.0%</b>	<b>15 154</b>	<b>15 025</b>
<b>Compensation of employees</b>	<b>12 366</b>	<b>(858)</b>	<b>-</b>	<b>11 508</b>	<b>11 508</b>	<b>-</b>	<b>100.0%</b>	<b>10 012</b>	<b>10 011</b>
Salaries and wages	10 801	(754)	-	10 047	10 048	(1)	100.0%	8 705	8 707
Social contributions	1 565	(104)	-	1 461	1 460	1	100.0%	1 307	1 304
<b>Goods and services</b>	<b>4 112</b>	<b>858</b>	<b>1 151</b>	<b>6 121</b>	<b>6 121</b>	<b>-</b>	<b>100.0%</b>	<b>5 142</b>	<b>5 014</b>
Administrative fees	135	(38)	-	97	95	2	96.9%	215	96
Advertising	80	113	-	193	193	-	100.0%	80	-
Catering: Departmental activities	257	250	-	507	508	(1)	100%	340	710
Communication	198	(8)	-	190	189	1	99.5%	255	144
Consultant: Business and advisory services	700	-	177	877	877	-	100%	300	621
Contractors	229	(144)	235	320	319	1	99.5%	242	54
Travel and subsistence	2 144	885	608	3 637	3 643	(6)	100.2%	3 237	3 048
Operating payments	119	(1)	1	119	117	2	99.2%	193	122
Venues and facilities	250	(199)	130	181	180	1	99.5%	280	219
<b>Total</b>	<b>16 478</b>	<b>-</b>	<b>1 151</b>	<b>17 629</b>	<b>17 629</b>	<b>-</b>	<b>100.0%</b>	<b>15 154</b>	<b>15 025</b>

5.1 ADMIN HOUSE OF TRADITIONAL LEADERS

5.1 ADMIN HOUSE OF TRADITIONAL LEADERS									
2015/16								2014/15	
	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>7 522</b>	<b>(1 103)</b>	<b>-</b>	<b>6 419</b>	<b>6 415</b>	<b>4</b>	<b>99.9%</b>	<b>6 894</b>	<b>6 451</b>
Compensation of employees	5 778	(883)	-	4 895	4 889	6	99.9%	4 886	4 886
Goods and services	1 744	(220)	-	1 524	1 526	(2)	100.1%	2 008	1 565
<b>TOTAL</b>	<b>7 522</b>	<b>(1 103)</b>	<b>-</b>	<b>6 419</b>	<b>6 415</b>	<b>4</b>	<b>99.9%</b>	<b>6 894</b>	<b>6 451</b>

5.2 COMMITTEES AND LOCAL HOUSES

5.2 COMMITTEES AND LOCAL HOUSES									
2015/16								2014/15	
	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>8 956</b>	<b>1 103</b>	<b>1 151</b>	<b>11 210</b>	<b>11 214</b>	<b>(4)</b>	<b>100.0%</b>	<b>8 260</b>	<b>8 574</b>
Compensation of employees	6 588	25	-	6 613	6 619	(6)	100.1%	5 126	5 125
Goods and services	2 368	1 078	1 151	4 597	4 595	2	100.0%	3 134	3 449
<b>TOTAL</b>	<b>8 956</b>	<b>1 103</b>	<b>1 151</b>	<b>11 210</b>	<b>11 214</b>	<b>(4)</b>	<b>100.0%</b>	<b>8 260</b>	<b>8 574</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO APPROPRIATION STATEMENT

for the year ended 31 March 2016

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>	<b>116 755</b>	<b>116 703</b>	<b>52</b>	<b>0%</b>
Immaterial variance or savings of R 0.052 million or 0% and will be surrendered to the Provincial Revenue fund.				
<b>2. Local Governance</b>	<b>151 447</b>	<b>151 327</b>	<b>120</b>	<b>0%</b>
Immaterial variance or savings of R 0.120 million or 0% and will be surrendered to the Provincial Revenue fund.				
<b>3. Development and Planning</b>	<b>48 846</b>	<b>48 844</b>	<b>2</b>	<b>0%</b>
Immaterial variance or savings of R 0.002 million or 0% and will be surrendered to the Provincial Revenue fund.				
<b>4. Traditional Institutional Management</b>	<b>141 615</b>	<b>141 577</b>	<b>38</b>	<b>0%</b>
Immaterial variance or savings of R 0.038 million or 0% and will be surrendered to the Provincial Revenue fund.				
<b>5. House of Traditional Leaders</b>	<b>17 629</b>	<b>17 629</b>		<b>0%</b>
No variance				
<b>TOTAL</b>	<b>476 292</b>	<b>476 080</b>	<b>212</b>	<b>0%</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
Current payments				
Compensation of employees	341 289	341 175	114	0%
Goods and services	67 067	66 971	96	0%
Transfers and subsidies				
Provinces and municipalities	24	24	-	0%
Departmental agencies and accounts				
Non-profit institutions	19 400	19 400	-	0%
Households	2 236	2 235	1	4%
Payments for capital assets				
Buildings and other fixed structures	7 064	7 063	1	0%
Machinery and equipment	38 781	38 781	-	0%
Payments for financial assets	431	431	-	0
<b>TOTAL</b>	<b>476 292</b>	<b>476 080</b>	<b>212</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
<b>EPWP GRANT</b>	<b>2 633</b>	<b>2 633</b>	<b>-</b>	<b>0%</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	476 292	463 261
Statutory appropriation	<u>2</u>	-	1 826
Departmental revenue	<u>3</u>	2 073	1 501
<b>TOTAL REVENUE</b>		<b>478 365</b>	<b>466 588</b>
<b>EXPENDITURE</b>			
Current expenditure			
Compensation of employees	<u>4</u>	341 175	323 635
Goods and services	<u>5</u>	66 971	82 288
<b>Total current expenditure</b>		<b>408 146</b>	<b>405 923</b>
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	21 659	22 815
<b>Total transfers and subsidies</b>		<b>21 659</b>	<b>22 815</b>
Expenditure for capital assets			
Tangible assets	<u>8</u>	45 844	32 284
Intangible assets	<u>8</u>	-	59
<b>Total expenditure for capital assets</b>		<b>45 844</b>	<b>32 343</b>
Payments for financial assets	<u>6</u>	431	-
<b>TOTAL EXPENDITURE</b>		<b>476 080</b>	<b>461 081</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 285</b>	<b>5 507</b>
Reconciliation of Net Surplus/(Deficit) for the year			
<b>Voted funds</b>		<b>212</b>	<b>4 006</b>
Annual appropriation		212	4 006
<b>Departmental revenue and NRF Receipts</b>	<u>13</u>	<b>2 073</b>	<b>1 501</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>2 285</b>	<b>5 507</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>ASSETS</b>			
Current assets		<b>23 906</b>	<b>27 361</b>
Unauthorised expenditure	<a href="#">9</a>	22 011	22 011
Cash and cash equivalents	<a href="#">10</a>	1 788	5 025
Receivables	<a href="#">11</a>	107	325
Non-current assets		150	144
Receivables	<a href="#">11</a>	150	144
<b>TOTAL ASSETS</b>		<b>24 056</b>	<b>27 505</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>24 056</b>	<b>27 505</b>
Voted funds to be surrendered to the Revenue Fund	<a href="#">12</a>	23 077	26 871
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<a href="#">13</a>	385	177
Payables	<a href="#">14</a>	594	457
<b>TOTAL LIABILITIES</b>		<b>24 056</b>	<b>27 505</b>
NET ASSETS		-	-
	Note	2015/16 R'000	2014/15 R'000
<b>Represented by:</b>			
Recoverable revenue		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>

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

**VOTE 04**

**STATEMENT OF CHANGES IN NET ASSETS**

**for the year ended 31 March 2016**

	<b>Note</b>	<b>2015/16 R'000</b>	<b>2014/15 R'000</b>
Recoverable revenue			
Opening balance		-	6
Transfers:			
Debts recovered (included in departmental receipts)		-	(6)
<b>Closing balance</b>		<u>-</u>	<u>-</u>
<b>TOTAL</b>		<u>-</u>	<u>-</u>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

CASH FLOW STATEMENT

for the year ended 31 March 2016

	Note	2015/16 R'000	2014/15 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		<b>478 114</b>	<b>466 565</b>
Annual appropriated funds received	<u>1</u>	476 292	463 261
Statutory appropriated funds received	<u>2</u>	-	1 826
Departmental revenue received	<u>3</u>	1 124	647
Interest received	<u>3.</u>	698	831
Net (increase)/decrease in working capital		349	(794)
Surrendered to Revenue Fund		(5 871)	(30 943)
Current payments		(408 146)	(405 923)
Payments for financial assets		(431)	-
Transfers and subsidies paid		(21 659)	(22 815)
<b>Net cash flow available from operating activities</b>	<b><u>15</u></b>	<b><u>42 356</u></b>	<b><u>6 090</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>8</u>	(45 844)	(32 343)
Proceeds from sale of capital assets	<u>3.3</u>	251	23
<b>Net cash flows from investing activities</b>		<b><u>(45 593)</u></b>	<b><u>(32 320)</u></b>
Net increase/(decrease) in cash and cash equivalents		(3 237)	(26 230)
Cash and cash equivalents at beginning of period	<u>10</u>	5 025	31 255
<b>Cash and cash equivalents at end of period</b>		<b><u>1 788</u></b>	<b><u>5 025</u></b>

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VOTE 04

ACCOUNTING POLICIES

for the year ended 31 March 2016

<b>Summary of significant accounting policies</b>	
<p>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.</p> <p>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.</p> <p>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.</p>	
<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.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

ACCOUNTING POLICIES

for the year ended 31 March 2016

<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>Accrued expenditure payable</b> Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable. Accrued expenditure payable is measured at cost.
<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 are expensed and under what circumstances.>

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<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.
<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 assets. 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> Loans and payables are recognised in the statement of financial position at cost.
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<b>Immovable capital assets</b> Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.
<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. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.
<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 that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

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<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>Commitments</b> Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.
<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 for recovery. 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 or not condoned and is not recoverable. 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 policies, accounting estimates and errors</b> Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. 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.

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22	<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.
23	<b>Principal-Agent arrangements</b> There were no Agent-Principal arrangements during the period under review
24	<b>Departures from the MCS requirements</b> There were no departures from the MCS requirements during the period under review
25	<b>Capitalisation reserve</b> 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.
26	<b>Recoverable revenue</b> 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.
27	<b>Related party transactions</b> A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
28	<b>Inventories (Effective from 1 April 2017)</b> At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.
29	<b>Public-Private Partnerships</b> 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. 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.

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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:

	2015/16			2014/15	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Final Appropriation R'000	Appropriation received R'000
Administration	116 755	116 755	-	100 852	100 852
Local Governance	151 447	151 447	-	152 847	152 847
Development and Planning	48 846	48 846	-	102 946	102 946
Traditional Institutional Management	141 615	141 615	-	91 462	91 462
House of Traditional	17 629	17 629	-	15 154	15 154
<b>Total</b>	<b>476 292</b>	<b>476 292</b>	<b>-</b>	<b>463 261</b>	<b>463 261</b>

1.2 Conditional grants

Note

		2015/16 R'000	2014/15 R'000
Total grants received	31	2 633	2 000
Provincial grants included in Total Grants received		<u>2 633</u>	<u>2 000</u>

2. Statutory Appropriation

	2015/16 R'000	2014/15 R'000
Statutory Appropriation	<u>-</u>	<u>1 826</u>
Actual Statutory Appropriation received	-	1 826

3. Departmental revenue

	Note	2015/16 R'000	2014/15 R'000
<b>Tax revenue</b>			
Sales of goods and services other than capital assets	3.1	354	353
Interest, dividends and rent on land	3.2	698	831
Sales of capital assets	3.3	251	23
Transactions in financial assets and liabilities	3.4	770	294
<b>Total revenue collected</b>		<u>2 073</u>	<u>1 501</u>
Less: Own Revenue included in Appropriation		-	-
<b>Departmental revenue collected</b>		<u>2 073</u>	<u>1 501</u>

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3.1 Sales of goods and services other than capital assets

	Note	2015/16	2014/15
	<u>3</u>	R'000	R'000
Sales of goods and services produced by the department		354	353
Sales by market establishment		354	353
<b>Total</b>		<b>354</b>	<b>353</b>

3.2 Interest, dividends and rent on land

	Note	2015/16	2014/15
	<u>3</u>	R'000	R'000
Interest		698	831

3.3 Sale of capital assets

	Note	2015/16	2014/15
	<u>3</u>	R'000	R'000
<b>Tangible assets</b>		251	23
Machinery and equipment		251	23
<b>Total</b>		<b>251</b>	<b>23</b>

3.4 Transactions in financial assets and liabilities

	Note	2015/16	2014/15
	<u>3</u>	R'000	R'000
Loans and advances			
Receivables		-	16
Stale cheques written back		-	5
Other Receipts including Recoverable Revenue		770	273
<b>Total</b>		<b>770</b>	<b>294</b>

4. Compensation of employees

4.1 Salaries and Wages

	Note	2015/16	2014/15
		R'000	R'000
Basic salary		202 269	194 649
Performance award		5 570	4 544
Service Based		162	256
Compensative/circumstantial		3 749	3 775
Periodic payments		3 006	5 050
Other non-pensionable allowances		84 325	77 808
<b>Total</b>		<b>299 081</b>	<b>286 082</b>

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4.2 Social contributions

	Note	2015/16 R'000	2014/15 R'000
Employer contributions			
Pension		25 109	24 079
Medical		16 917	13 419
UIF		9	-
Bargaining council		59	55
Insurance			
<b>Total</b>		<b>42 094</b>	<b>37 553</b>
<b>Total compensation of employees</b>		<b>341 175</b>	<b>323 635</b>
<b>Average number of employees</b>		<b>849</b>	<b>883</b>

5. Goods and services

	Note	2015/16 R'000	2014/15 R'000
Administrative fees		508	713
Advertising		1 198	1 479
Minor assets	5.1	634	280
Catering		3 765	2 069
Communication		6 774	7 277
Computer services	5.2	219	1 426
Consultants: Business and advisory services		1 157	10 415
Infrastructure and planning services		2 763	1 121
Legal services		4 803	1 729
Contractors		1 450	1 320
Agency and support / outsourced services		-	597
Audit cost – external	5.3	2 851	4 504
Fleet services		3 249	3 277
Inventory	5.4	2 722	13 152
Consumables	5.5	1 930	1 839
Operating leases		7 663	6 587
Property payments	5.6	3 312	2 932
Rental and hiring		13	-
Travel and subsistence	5.7	15 737	17 932
Venues and facilities		2 729	841
Training and development		1 660	732
Other operating expenditure	5.8	1 834	2 066
<b>Total</b>		<b>66 971</b>	<b>82 288</b>

5.1 Minor assets

	Note	2015/16 R'000	2014/15 R'000
Tangible assets	5		
Machinery and equipment		634	278
Software		-	2
<b>Total</b>		<b>634</b>	<b>280</b>

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5.2 Computer services

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
SITA computer services		95	115
External computer service providers		124	1 311
<b>Total</b>		<b>219</b>	<b>1 426</b>

5.3 Audit cost – External

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Regularity audits		2 851	3 652
Investigations		-	852
<b>Total</b>		<b>2 851</b>	<b>4 504</b>

5.4 Inventory

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Clothing material and accessories		237	25
Materials and supplies		2 485	13 127
<b>Total</b>		<b>2 722</b>	<b>13 152</b>

5.5 Consumables

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Consumable supplies		326	667
Uniform and clothing		22	238
Household supplies		256	327
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		8	19
Other consumables		40	83
Stationery, printing and office supplies		1 604	1 172
<b>Total</b>		<b>1 930</b>	<b>1 839</b>

5.6 Property payments

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Municipal services		3 312	2 932

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5.7 Travel and subsistence

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b><u>5</u></b>	<b>R'000</b>	<b>R'000</b>
Local		15 609	17 932
Foreign		128	-
<b>Total</b>		<b><u>15 737</u></b>	<b><u>17 932</u></b>

5.8 Other operating expenditure

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b><u>5</u></b>	<b>R'000</b>	<b>R'000</b>
Professional bodies, membership and subscription fees		-	104
Resettlement costs		102	1 962
Other		1 732	-
<b>Total</b>		<b><u>1 834</u></b>	<b><u>2 066</u></b>

Other expenditure includes insurance on subsidised vehicles, landing rights and printing services.

6. Payments for financial assets

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
		<b>R'000</b>	<b>R'000</b>
Debts written off	<b><u>6.1</u></b>	<b><u>431</u></b>	<b><u>-</u></b>

6.1 Debts written off

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
	<b><u>6</u></b>	<b>R'000</b>	<b>R'000</b>
Nature of debts written off (Ex-Employee (Izinduna/ Headman))		<b><u>431</u></b>	<b><u>-</u></b>

7. Transfers and subsidies

	<b>Note</b>	<b>2015/16</b>	<b>2014/15</b>
		<b>R'000</b>	<b>R'000</b>
Provinces and municipalities	31	24	11 024
Departmental agencies and accounts	Annex 1A	-	3
Non-profit institutions	Annex 1B	19 400	10 760
Households	Annex 1C	2 235	1 028
<b>Total</b>		<b><u>21 659</u></b>	<b><u>22 815</u></b>

Unspent funds transferred to the above beneficiaries

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8. Expenditure for capital assets

	Note	2015/16 R'000	2014/15 R'000
Tangible assets		45 844	32 284
Buildings and other fixed structures	8.1	7 063	28 690
Heritage assets			
Machinery and equipment		38 781	3 594
Intangible assets		-	59
Software		-	59
<b>Total</b>		<b>45 844</b>	<b>32 343</b>

8.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	45 844	-	45 844
Buildings and other fixed structures	7 063	-	7 063
Machinery and equipment	38 781	-	38 781
<b>Total</b>	<b>45 844</b>	<b>-</b>	<b>45 844</b>

8.2 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	32 284	-	32 284
Buildings and other fixed structures	28 690	-	28 690
Machinery and equipment	3 594	-	3 594
Intangible assets	59	-	59
Software	59	-	59
<b>Total</b>	<b>32 343</b>	<b>-</b>	<b>32 343</b>

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9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		22 011	22 011
Prior period error		-	-
As restated		22 011	22 011
Closing balance		22 011	22 011
Capital		17 274	17 274
Current		4 737	4 737
<b>Total</b>		<b>22 011</b>	<b>22 011</b>

9.2 Analysis of unauthorised expenditure awaiting authorisation per type

	2015/16 R'000	2014/15 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	22 011	22 011

10. Cash and cash equivalents

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		1 788	5 025

11. Receivables

	Note	2015/16			2014/15		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	<a href="#">11.1</a>						
Staff debt	<a href="#">11.2</a>	107	-	107	16	-	16
Fruitless and wasteful expenditure					4	-	4
Other debtors	<a href="#">11.3</a>	-	150	150	305	144	449
<b>Total</b>		<b>107</b>	<b>150</b>	<b>257</b>	<b>325</b>	<b>144</b>	<b>469</b>

11.1 Claims recoverable

	Annex 3	2015/16 R'000	2014/15 R'000
Provincial departments		87	105

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11.2 Staff debt

	Note	2015/16	2014/15
	<u>11</u>	R'000	R'000
Staff Debtors		11	16
Ex-Employees		96	-
<b>Total</b>		<u>107</u>	<u>16</u>

11.3 Other debtors

	Note	2015/16	2014/15
	<u>11</u>	R'000	R'000
Ex-Employee		121	415
Suppliers		29	29
Other		-	5
<b>Total</b>		<u>150</u>	<u>449</u>

11.4 Fruitless and wasteful expenditure

	Note	2015/16	2014/15
	<u>11</u>	R'000	R'000
Opening balance		4	-
Less amounts recovered		(4)	-
Less amounts written off		-	-
Transfers from note 32 Fruitless and Wasteful Expenditure		-	4
<b>Total</b>		<u>-</u>	<u>4</u>

12. Voted funds to be surrendered to the Revenue Fund

	Note	2015/16	2014/15
		R'000	R'000
<b>Opening balance</b>		<b>26 871</b>	<b>52 019</b>
Transfer from statement of financial performance (as restated)		212	4 006
Voted funds not requested/not received	<u>1.1</u>	-	-
Paid during the year		<u>(4 006)</u>	<u>(29 154)</u>
<b>Closing balance</b>		<u><b>23 077</b></u>	<u><b>26 871</b></u>

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

	Note	2015/16 R'000	2014/15 R'000
Opening balance		177	465
Transfer from Statement of Financial Performance		2 073	1 501
Own revenue included in appropriation		-	-
Paid during the year		(1 865)	(1 789)
<b>Closing balance</b>		<b>385</b>	<b>177</b>

14. Payables – current

	Note	2015/16 R'000	2014/15 R'000
Clearing accounts	<u>14.1</u>	594	457

14.1 Clearing accounts

	Note	2015/16 R'000	2014/15 R'000
Description	<u>14</u>		
Sal :ACB Recall		-	170
Sal Income Tax		589	283
Disallowance Miscellaneous		3	1
Sal Pension		2	3
<b>Total</b>		<b>594</b>	<b>457</b>

15. Net cash flow available from operating activities

	Note	2015/16 R'000	2014/15 R'000
Net surplus/(deficit) as per Statement of Financial Performance		2 285	5 507
Add back non cash/cash movements not deemed operating activities		40 071	583
(Increase)/decrease in receivables – current		212	(238)
Increase/(decrease) in payables – current		137	(556)
Proceeds from sale of capital assets		(251)	(23)
Expenditure on capital assets		45 844	32 343
Surrenders to Revenue Fund		(5 871)	(30 943)
Own revenue included in appropriation		-	-
<b>Net cash flow generated by operating activities</b>		<b>42 356</b>	<b>6 090</b>

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

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account		1 788	5 025

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17. Contingent liabilities

	Note	2015/16	2014/15
Liable to Nature			
Housing loan guarantees Employees	Annex 2A	30	90
Claims against the department	Annex 2B	57 891	25 691
Intergovernmental payables (unconfirmed balances)	Annex 4	21 188	21 063
<b>Total</b>		<b>79 109</b>	<b>46 844</b>

18. Commitments

	Note	2015/16 R'000	2014/15 R'000
Current expenditure			
Approved and contracted		372	116
Capital expenditure			
Approved and contracted		1 630	11 611
<b>Total Commitments</b>		<b>2 002</b>	<b>11 727</b>

19. Accruals and payables not recognised

191 Accruals

Listed by economic classification			2015/16 R'000	2014/15 R'000
	30 Days	30+ Days	Total	Total
Goods and services	1 107	-	1 107	1 502
Other	283	-	283	-
<b>Total</b>	<b>1 390</b>	<b>-</b>	<b>1 390</b>	<b>1 502</b>

	Note	2015/16 R'000	2014/15 R'000
<b>Listed by programme level</b>			
Administration		788	932
Local Governance		132	159
Development and Planning		96	92
Traditional Institutional Management		77	118
The House of Traditional Leaders		297	201
<b>Total</b>		<b>1 390</b>	<b>1 502</b>

19.2 Payables not recognised

Listed by economic classification			2015/16 R'000	2014/15 R'000
	30 Days	30+ Days	Total	Total
Goods and services	383	-	383	-
<b>Listed by programme level</b>				
The House of Traditional Leaders			383	-

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20. Employee benefits

	Note	2015/16	2014/15
		R'000	R'000
Leave entitlement		16 427	16 887
Service bonus (Thirteenth cheque)		8 532	8 158
Performance awards		5 570	4 550
Capped leave commitments		11 529	11 765
Long service award		18	124
<b>Total</b>		<b>42 076</b>	<b>41 484</b>

- At this stage the Department is not able to reliably measure the long term portion of the long service awards. Prior year adjustment of R0.228m on Leave entitlement (overstated).
- The negative leave days is a prorate calculation for 31 March 2016, which indicate that the official has already finished the previous leave cycle, however new leave days were accrued to all official in January 2016. The official has leave credits on the system.

21. Lease commitments

Operating leases expenditure

	Buildings and other fixed structures	Machinery and equipment	Total
<b>2015/16</b>			
Not later than 1 year	5 946	392	6 338
Later than 1 year and not later than 5 years	6 154	214	6 368
<b>Total lease commitments</b>	<b>12 100</b>	<b>606</b>	<b>12 706</b>

	Buildings and other fixed structures	Machinery and equipment	Total
<b>2014/15</b>			
Not later than 1 year	4 513	556	5 069
Later than 1 year and not later than 5 years	2 422	409	2 832
<b>Total lease commitments</b>	<b>6 935</b>	<b>966</b>	<b>7 901</b>

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		8 280	8 280
Prior period error		-	-
As restated		8 280	8 280
Add irregular expenditure relating to the current year		1 419	
<b>Closing balance</b>		<b>9 699</b>	<b>8 280</b>

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22.2 Analysis of awaiting condonation per age classification

Current year	1 419	-
Prior years	8 280	8 280
<b>Total</b>	<b>9 699</b>	<b>7 280</b>

22.3 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
1 CA JV (PTY) LTD( Legal fees)	Under Investigation	56
2 Analytical Risk Management (Legal fees )	Under Investigation	863
3 Ledwaba Sam Attorneys (Legal fees)	Under Investigation	500
<b>Total</b>		<b>1 419</b>

23. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		6	23
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year		125	10
Less amount transfer to receivable for recovery		-	(4)
Less: Amounts resolved		(131)	(23)
<b>Closing balance</b>		<b>-</b>	<b>6</b>

23.1 Analysis of awaiting resolution per economic classification

	2015/16 R'000	2014/15 R'000
<b>Total</b>	<b>-</b>	<b>6</b>

24. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	1	1 909	1 966
Level 14 (incl. CFO if at a lower level)	2	1 835	2 664
Level 14 (incl. CFO if at a lower level)	5	5 675	5 740
<b>Total</b>	<b>8</b>	<b>9 419</b>	<b>10 370</b>

Any guarantees issued by the department are disclosed in Note 25.1

25. Related Party Transactions

During the year the department received services from the Department of Public Works Roads and Transport (DPWRT) that are related to the department .The department occupies government building provided by DPWRT free of charge. The department also received IT servicers from the Mpumalanga Provincial Treasury free of charge. The department also receive Shared Services from Internal Audit and Audit Committee from Office of the Premier free of charge

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26. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015/16

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>32 493</b>	<b>-</b>	<b>38 913</b>	<b>(31 849)</b>	<b>39 557</b>
Transport assets	14 816	-	36 151	(28 349)	22 618
Computer equipment	8 317	-	973	(3 162)	6 128
Furniture and office equipment	4 367	-	1 289	(153)	5 503
Other machinery and equipment	4 993	-	500	(185)	5 308
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>32 493</b>	<b>-</b>	<b>38 913</b>	<b>(31 849)</b>	<b>39 557</b>

26.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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>MACHINERY AND EQUIPMENT</b>	<b>38 781</b>	<b>132</b>		<b>-</b>	<b>38 913</b>
Transport assets	36 019	132	-	-	36 151
Computer equipment	973	-	-	-	973
Furniture and office equipment	1 289	-	-	-	1 289
Other machinery and equipment	500	-	-	-	500
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>38 781</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>38 913</b>

26.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 639</b>	<b>30 210</b>	<b>(31 849)</b>	<b>251</b>
Transport assets	1 639	26 710	(28 349)	251
Computer equipment	-	3 162	(3 162)	-
Furniture and office equipment	-	153	(153)	-
Other machinery and equipment	-	185	(185)	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 639</b>	<b>30 210</b>	<b>(31 849)</b>	<b>251</b>

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26.3 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>30 162</b>	-	<b>4 701</b>	<b>(2 370)</b>	<b>32 493</b>
Transport assets	14 152	-	2 036	(1 372)	14 816
Computer equipment	7 981	-	994	(658)	8 317
Furniture and office equipment	3 948	-	459	(40)	4 367
Other machinery and equipment	4 081	-	1 212	(300)	4 993
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>30 162</b>	-	<b>4 701</b>	<b>(2 370)</b>	<b>32 493</b>

27. Minor assets

27.1 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equip- ment R'000	Biological assets R'000	Total R'000
Opening balance	-	7	-	9 591	-	9 598
Additions	-	-	-	634	-	634
Disposals	-	-	-	1 261	-	1 261
<b>TOTAL</b>	-	<b>7</b>	-	<b>8 964</b>	-	<b>8 971</b>

	Specialised mili- tary assets	Intangible assets	Heritage as- sets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost		5		6 627		6 632
<b>TOTAL NUMBER OF MINOR ASSETS</b>		<b>5</b>		<b>6 627</b>		<b>6 632</b>

27.2 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised mili- tary 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	-	9 655	-	9 660
Additions	-	2	-	492	-	494
Disposals	-	-	-	(556)	-	(556)
<b>TOTAL MINOR ASSETS</b>	-	<b>7</b>	-	<b>9 591</b>	-	<b>9 598</b>

	Specialised mili- tary assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost		5		7 318		7 323
<b>TOTAL NUMBER OF MINOR ASSETS</b>		<b>5</b>		<b>7 318</b>		<b>7 323</b>

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27.3 S42 Movable Capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 -31 MARCH 2016

	Machinery and Equip- ment		Total
	R'000	R'000	R'000
No of Assets	-	94	94
Value of the assets	-	27 078	27 078

27.4 S42 Movable Capital assets

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 -31 MARCH 2016

	Machinery and Equipment		Total
	R'000	R'000	R'000
No of Assets	-	4	4
Value of the assets	-	20	20

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	7 069	-	-	(69)	7 000
TOTAL INTANGIBLE CAPITAL ASSETS	7 069	-	-	(69)	7 000

28.1 Disposal

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Non cash disposal R'000	Total disposal R'000	Cash received R'000
Software	-	69	69	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	69	69	-

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28.2 Movement for 2014/15

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	7 010	-	59	-	7 069
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>7 010</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>7 069</b>

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015/16

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	42 624	(42 624)	-
Non-residential buildings	-	-	42 624	(42 624)	-
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>42 624</b>	<b>(42 624)</b>	<b>-</b>

29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	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
BUILDING AND OTHER FIXED STRUCTURES	7 063	41 168	(5 607)	-	42 624
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	7 063	41 168	(5 607)	-	42 624
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>7 063</b>	<b>41 168</b>	<b>(5 607)</b>	<b>-</b>	<b>42 624</b>

29.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	42 624	(42 624)	-
Other fixed structures	-	42 624	(42 624)	-

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29.3 S42 Immovable Assets

Assets subjected to transfer in terms of S42 the PFMA

	NO	R'000
Other Fixed Structure	8	<u>42 624</u>

30. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2014/15	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Over-spending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP	2 633	-	-	-	-	2 633	2 633	-	100%	2 000	2 000
	<u>2 633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2 633</u>	<u>2 633</u>	<u>-</u>	<u>100%</u>	<u>2 000</u>	<u>2 000</u>

31. STATEMENT OF CONDITIONAL / UNCONDITIONAL GRANTS AND PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
VEHICLE LICENSES		24	-	-	24	24	-
<b>TOTAL</b>							

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**ANNEXURE 1 A**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2014/15
	Adjusted Appropriation	Roll Overs	Ad- just-ments	Total Available	Actual Transfer	% of Available funds Transferred	Appro- pria- tion Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
SABC	-	-	-	-	-	-	3

**ANNEXURE 1 B**

**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Traditional Institution Management	19 400	-	-	-	19 400	100%	10 760

**ANNEXURE 1 C**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Injury on Duty	-	-	-	-	-	-	2
Leave Gratuity	2 236	-	-	-	2 236	100%	1 026
<b>TOTAL</b>	<b>2 236</b>				<b>2 236</b>		<b>1 028</b>

Grant Type	Apr R'000	May R'000	Jun R'000	Jul R'000	Aug R'000	Sept R'000	Oct R'000	Nov R'000	Dec R'000	Jan R'000	Feb R'000	Mar R'000	TOTAL R'000
EPWP	48	47	157	199	298	100	200	392	387	223	340	242	2 633

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**ANNEXURE 2 A**

**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL**

Guarantee institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
FNB	HOUSING	-	30	-	-	-	30	-	-
STANDARD BANK		-	60	-	60	-	-	-	-
	<b>TOTAL</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>

**ANNEXURE 2B**

**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016**

NATURE OF LIABILITY	Opening balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
1 African Gaza Church		39	-	-	39
2 Stesashan Sphephelo vs MEC & HOD		24 708	-	-	24 708
3 SN Thwala(NNO)&3 others vs MEC & Mbombela Mayor		944	-	-	944
4 Zandi (ERS) PTY LTD VS Hydrotec INT (PTY)LTD ,Department		-	2 200	-	2 200
5 Mantelene Construction CC VS MEC, Rand Water & FT Consultant		-	30 000	-	30 000
<b>TOTAL</b>		<b>25 691</b>	<b>32 200</b>	<b>-</b>	<b>57 891</b>

The department is not going to be negatively affected by the outcome of these matters as three (3) of the cases does not directly affect the department. The department has only been cited. Only two cases affect the department i.e claim no. 1 and 2 in the above annexure.

**ANNEXURE 3**

**CLAIMS RECOVERABLE**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
MP: Human of Settlements	-	40	-	-	-	40
Limpopo : Dep of Public Works Roads and Transport	-	-	13	-	13	-
MP: Provincial Treasury	-	-	74	-	74	-
Limpopo : Dep of Health	-	28	-	-	-	28
National Department of Rural Development	-	-	-	37	-	37
<b>Total</b>	<b>-</b>	<b>68</b>	<b>87</b>	<b>37</b>	<b>87</b>	<b>105</b>

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**ANNEXURE 4**

**INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
MP:Department of Public Works	353	10	-	-	353	10	-	-
MP DARDLEA	-	-	125	-	125	-	-	-
MP:Human Settlement	-	41	-	-	-	41	-	-
<b>Subtotal</b>	<b>353</b>	<b>51</b>	<b>125</b>	<b>-</b>	<b>478</b>	<b>51</b>		
<b>OTHER GOVERNMENT ENTITY</b>								
Rand Water	-	-	21 063	21 063	21 063	21 063	-	-
Dipaliseng Municipality	-	413	-	-	-	413	-	-
Traditional Leaders		1 718	-	-	-	1 718	-	-
<b>Subtotal</b>	<b>-</b>	<b>2 131</b>	<b>21 063</b>	<b>21 063</b>	<b>21 063</b>	<b>23 194</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>353</b>	<b>2 182</b>	<b>21 188</b>	<b>21 063</b>	<b>21 541</b>	<b>23 245</b>	<b>-</b>	<b>-</b>

**ANNEXURE 5**

**INVENTORIES**

Inventory [Per major category]	Note	Quantity	2015/16	Quantity	2014/15
	31		R'000		R'000
Opening balance		2 778	13 128	2 446	84
Add/(Less): Adjustments to prior year balance					
Add: Additions/Purchases – Cash		2 730	2 721	2 913	13 152
Add: Additions - Non-cash				-	-
(Less): Disposals				-	-
(Less): Issues		(3 102)	(3 025)	(2 172)	(107)
Add/(Less): Adjustments				(409)	(1)
<b>Closing balance</b>		<b>2 406</b>	<b>12 824</b>	<b>2 778</b>	<b>13 128</b>

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)**  
**VOTE 04**  
**UN-AUDITED ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2016**

**ANNEXURE 6**

**MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016**

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>48 179</b>	<b>7 063</b>	<b>(42 624)</b>	<b>12 618</b>
Other fixed structures	48 179	7 063	(42 624)	12 618
<b>TOTAL</b>	<b>48 179</b>	<b>7 063</b>	<b>(42 624)</b>	<b>12 618</b>

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2015**

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>19 489</b>	<b>-</b>	<b>28 690</b>	<b>-</b>	<b>48 179</b>
<b>Dwellings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-residential buildings</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other fixed structures</b>	<b>19 489</b>	<b>-</b>	<b>28 690</b>	<b>-</b>	<b>48 179</b>
<b>TOTAL</b>	<b>19 489</b>	<b>-</b>	<b>28 690</b>	<b>-</b>	<b>48 179</b>



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