



co-operative governance  
& traditional affairs

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

# ANNUAL REPORT 2016/17





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# **PART A: GENERAL INFORMATION**



**1. DEPARTMENT GENERAL INFORMATION**

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
BBBEE	Broad Based Black Economic Empowerment
HOD	Head of Department
MP	Member of Parliament
MPL	Member of Provincial Legislature
IMSP	Integrated Municipal Support Plan
NCOP	National Council of Provinces
DCOG	Department of Co-operative Governance
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
MEC	Department of Co-operative Governance AND Traditional Affairs
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan
TLGFA	Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2013)
NDP	National Development Plan
DHS	Department of Human Settlement

### 3. FOREWORD BY THE MEC (2016/17)



**HON. REFILWE MTSHWENI (MPL)**  
**MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

The establishment of the City of Mbombela was one of the Department's milestone achievements in our attempt to enhance municipal performance in the financial year under review. The new municipality is a merger between the former Mbombela and Umjindi Local Municipalities. At the centre of the merger is the improvement of the financial viability of Municipalities to enhance the delivery of basic services. This achievement is a major building block towards an efficient, accountable and responsive developmental Local Government envisaged in the National Development Plan (NDP) 2030. With this merger, we now have twenty (20) Municipalities in Mpumalanga.

The successful Local Government elections culminated in the establishment of the fourth Local Government Administration. This also marked the end of most of the contracts for Section 56 and 57 Managers. Special attention will be given to the filling of the vacancies after the lapse of these contracts. The Department will ensure that suitably qualified and competent people are appointed to support the new administration. With this support we hope that the Department will realize its mandate.

We have achieved a third successive clean audit. This signified the Department's commitment to improve audit outcomes. It also signified the high level of commitment to comply with legislative prescripts such as the PFMA and Treasury Regulations in the management of public funds. We are working towards a fourth successive clean audit and we are determined to achieve it.

The implementation of the Integrated Municipal Support Plan (IMSP) as a mechanism to improve the delivery of basic services was a key priority during this period. Pursuant to the goal of delivering basic services, especially water, we were aggressive in our approach as the demand for the scarce resource is high. The **delivery of basic services, putting people first, good governance, financial management, and building of institutional and administrative capability** are the five pillars that we paid special attention to for the realization of the Back to Basics (B2B) programme, aimed at enhancing municipal performance.

Our water interventions culminated in the improvement of access to water by our communities, despite the drought conditions. The total number of 1 090 893 households out of 1 238 861 now have access to water in the Province. This figure accounts for 88% and could even be more had it not been lim-

ited financial resources and illegal water connections that the Department and Municipalities had to grapple with during the financial year under review. This target was pursued as an expression to Section 27 of the Constitution.

In 2016, a total number of 1 145 583 households (92%) had access to sanitation services in the province including Ventilated Improved Pit latrines (VIPs). Of the total number of households, 49% had access to flush toilets and 44% utilized VIP toilets. Notwithstanding the challenges faced by Municipalities such as overloaded sewerage treatment works operating beyond designed capacity, improvement was recorded. The number of households with access to flush sanitation was improved by 25% between 2011 and 2016. Work continued in various sites for a total of 14 Water Treatment Works (WTWs) and 22 Waste Water Treatment Works (WWTWs) in which refurbishment or upgrading is being carried out. Our target is to support our Municipalities to complete these projects in the next three years.

Reasonable steps were taken to upgrade the electricity bulk supply in order to increase the number of households with access to electricity in the following Municipalities: Victor Khanye, Emakhazeni, Nkomazi and Thaba Chweu. We are gravely concerned that illegal connections continue to undermine revenue collections that led significantly to the non-payment of the ESKOM debt by affected Municipalities. A revenue collection plan to support affected Municipalities against the knock on effects of ESKOM's intermittent power cuts was developed.

Our resolve to push the frontiers of poverty through job creation initiatives produced positive outcomes. 23 460 job opportunities were maintained and 2 971 job opportunities created through the Community Works' Programme (CWP) and the Expanded Public Works' Programme (EPWP) for people threatened by poverty. The water conservation and the war on leaks programs, culminated in the creation of 944 experiential training opportunities for young graduates, whose focus was on fixing leaking pipes and taps and the replacement of the ageing infrastructure which contributes to escalating water losses in our Municipalities. Our contribution to a clean environment, through the Youth Waste Management initiative, culminated in the creation of 135 job opportunities in the Nkomazi, Bushbuckridge and Dipaleseng Local Municipalities, targeting unemployed youth.

Rural communities are the hardest hit by poverty due to lack of economic activities. The expansion of poverty alleviation programmes in the jurisdiction of 17 Traditional Councils, including the two Ndebele Kings, sought to mitigate the impact. A total number of 1 867 job opportunities were created through CWP in Traditional Communities, making it one of the successful flagship programmes in support of the Institutions of Traditional Leadership. 44 Tractors were purchased for Traditional Leaders to promote farming. The remaining 16 Tractors and 60 implements will be delivered in the next financial year as we support Traditional Leaders and their communities towards food security.

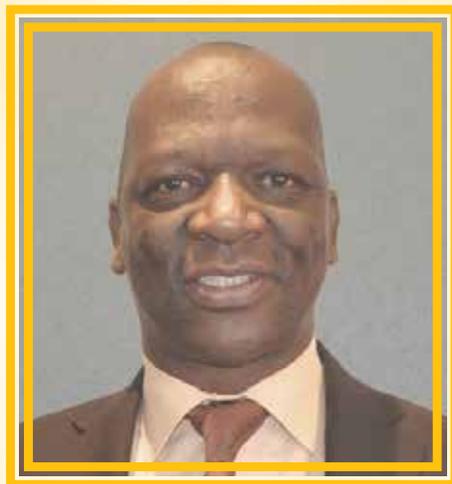
A circular stamp containing a handwritten signature, likely of Ms R.M. Mtshweni (MPL).

**Ms R.M. MTSHWENI (MPL)**

**MEC for the Department of Co-operative Governance and Traditional Affairs**

**Date: 31/05/2017**

#### 4. REPORT OF THE ACCOUNTING OFFICER



**MR. TP NYONI**  
**HEAD: CO-OPERATIVE GOVERNANCE AND**  
**TRADITIONAL AFFAIRS**

##### **Overview of the operations of the Department**

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

- All seventeen (17) Local Municipalities were supported on the functionality of OVS War rooms; on early warning interventions by CDWs and on the development of Ward Level Database with community concerns & remedial actions produced, as well as 87 Ward Committees on the implementation of their Ward Operational Plans.
- Supported all 20 Municipalities with the development of 5 year (2017 – 2021) Draft legal compliant IDPs
- In an effort to capacitate our Municipalities, the Department conducted one (1) Training on roles and responsibilities for newly elected Councillors; one (1) Training programme for Municipal Public Account Committees (MPACs) and five (5) capacity building Programmes for Municipal Officials on Waste Water Treatment Plant, Pressure Pipeline Design, Planning and Management for Infrastructure & Introduction to Sewer Design.
- Implemented the Expanded Public Works Program (EPWP) and in the process created 135 full time equivalent jobs.
- In sustaining social cohesion in Traditional Communities, the Department resolved twenty two (22) Traditional Land cases, mobilized Fifteen (15) Traditional Councils to participate in OVS War rooms, also mobilised twenty two (22) Traditional Leaders to participate in Municipal Councils and three (3) Traditional Disputes & Claims cases were researched, processed and resolved.

##### **Challenges**

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

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

The Department has developed remedial actions which aim to address the identified challenges and these have been incorporated into the 2017/18 Annual Performance Plan

## Overview of the financial results of the Department

### Departmental receipts

Departmental receipts	2016/2017			2015/2016		
	Estimate	Actual	(Over)/Under Collection	Estimate	Actual	(Over)/Under Collection
	R'000	Amount Collected R'000	R'000	R'000	Amount Collected R'000	R'000
Sale of goods and services other than capital assets	373	373	0	374	354	(20)
Interest, dividends and rent on land	952	1 426	(474)	953	698	254
Sale of capital assets	50	793	(743)	50	251	(200)
Financial transactions in assets and liabilities	31	225	(194)	30	770	739
<b>Total</b>	<b>1 406</b>	<b>2 817</b>	<b>(1 411)</b>	<b>1 406</b>	<b>2 073</b>	<b>667</b>

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

### Programme Expenditure

Programme Name	2016/2017			2015/2016		
	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	123 658	122 774	884	116 755	116 703	52
Local Governance	172 087	172 082	5	151 447	151 327	120
Planning and Development	146 925	146 914	11	48 846	48 844	2
Traditional Institution Management	155 478	155 450	28	141 615	141 577	38
House of Traditional Leadership	18 458	18 449	9	17 629	17 629	0
<b>Total</b>	<b>616 606</b>	<b>615 669</b>	<b>937</b>	<b>476 292</b>	<b>476 080</b>	<b>212</b>

The Department's main appropriation for 2016/17 was R 498.106 million and was adjusted to R 616.606 million during the November 2017 adjustment appropriation compared to R 476.292 million final appropriation in 2015/16.

The Department spent R 615.669 million or 99.8 per cent of the final adjusted budget as at 31 March 2017, compared to R 476.080 million or 100 per cent in 2015/16. The Department had underspent by R 0.937 million compared with R 0.212 million in 2015/16. As reported in note 19 of the Annual financial statements, the Department had accruals to the value of R 1.745 million during the financial year under review (R 1.773 million in 2015/16).

#### Programme 01

Main appropriation was R 115.765 million and the final adjusted budget was R 123.658 million. The programme spent R 122.774 million or 99.3 per cent compared with R116.703 million or 100 per cent in 2015/16 financial year.

#### Programme 02

Main appropriation was R 167.185 million and the final adjusted budget is R 172.087 million. The programme spent R 172.063 million or 100 per cent compared with R 151.327 million or 100 per cent in 2015/16 financial year.

#### Programme 03

Main appropriation was R 65.645 million and final adjusted budget is R 146.925 million. The programme spent R 146.914 million or 100 per cent compared with R 48.844 million or 100 per cent in 2015/16 financial year.

#### Programme 04

Main appropriation was R 129.529 million and final adjusted budget is R 155.478 million. The programme spent R 155.450 million or 100 per cent compared with R 141.577 million or 100 per cent in 2015/16 financial year.

## Programme 05

Main appropriation was R 19.982 million and final adjusted budget is R 18.458 million. The programme spent R 18.449 million or 100 per cent compared with R 17.629 million or 100 per cent in 2015/16 financial year.

### Virements / roll overs

During the 2016/17 Budget Adjustment process an additional amount of R 118.500 million was added to the baseline of the Department.

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

DESCRIPTION	AMOUNT R'000	PROGRAMME
Operation Vuka Sisebente	4 000	Local Governance
Electrification of Households	55 500	Development and Planning
Disaster Relief Material	30 000	Development and Planning
Procurement of Tractors	29 000	Traditional Institutional Management
<b>TOTAL</b>	<b>118 500</b>	

### Virements

The following are the Mid-term major Virements:

DESCRIPTION	AMOUNT R'000	PROGRAMME
Additional amount to augment the budget for operational contractual obligations of the Department	3 187	Administration
An additional amount to assist the programme with spending pressures as a result of implementation of the Voter education Programme for the 2016 Local Government Elections	1 450	Local Governance
<b>TOTAL</b>	<b>4 637</b>	

### Post Adjustment Virements

VIREMENT SUMMARY					
FROM:			TO:		
PROGRAMME	ECONOMIC CLASSIFICATION	R'000	PROGRAMME	ECONOMIC CLASSIFICATION	R'000
Programme 2: Local Governance		-548			548
Programme 3: Development and Planning		-422			2 504
Programme 5 : The House of Traditional Leaders	Goods and Services	-446			
Programme 3: Development and Planning		-2 082			656
Programme 4: Traditional Institutional Management		-656		Goods and Services	1 175
Programme 5 : The House of Traditional Leaders	Compensation of Employees	-1 078			349
Programme 3: Development and Planning	Payments for Capital Assets	-54	Programme 1: Administration	Payments for Capital Assets	54
Programme 1: Administration		-580			580
Programme 3: Development and Planning	Transfers and Subsidies	-1 662	Programme 4: Traditional Institutional Management	Payments for Capital Assets	1 662
<b>TOTAL</b>		<b>-7 528</b>	<b>TOTAL</b>		<b>7 528</b>

## **Programme 1: Administration (R 4.706 million)**

### **a) Goods and Services**

An overall amount of R 4.883 million is added to the baseline for this classification of which R 0.548 million from Programme 2 (Goods and Services), R 0.422 million (Goods and Services) from Programme 3, R 0.446 million (Goods and Services) from Programme 5. Furthermore R 2.082 million, R 0.656 million and R 1.078 from Programme 3, 4 and 5 (Compensation of Employees) respectively.

This virement was effected in order to defray the expenditure for the contractual operational requirements of the Department including legal fees as a result of multiple ongoing unforeseen litigations against the state.

### **b) Payment for Capital Assets**

An overall amount of R 0.403 million is added to the baseline for this classification, R 0.349 million from Programme 5 (Compensation of Employees) and R 0.054 million from Programme 3 (Payments for Capital Assets), to defray the expenditure for the procurement of office furniture and computers for Departmental staff.

## **Programme 4: Traditional Institutional Management (R 2.242 million)**

### **a) Payment for Capital Assets**

An amount of R 2.242 million is added to this classification from Programme 1, R 0.580 million (Transfers and Subsidies) and R 1.662 million (Payment for Capital Assets) from Programme 3 to defray the expenditure on Payment for Capital Assets for the implementation of the construction and renovation of Traditional Council Offices projects.

### **Rollovers**

The Department has not requested any roll-over.

### **Future plans of the Department**

The Department will intensify its effort in supporting Municipalities in the implementation and compliance with Spatial Planning and Land Use Management (SPLUMA). In an effort to eradicate informal settlements in the Province, the Department will facilitate the establishment of two (2) Townships at Thembisile Hani (Kwa Thomas/ Sun City) and Dr JS Moroka (Siyabuswa) and further support two (2) Municipalities with tenure upgrading projects at Thembisile Hani (Kwaggafontein-A) and City of Mbombela (Gutshwa Trust-A). The Department will continue to provide financial support to Traditional Councils for day to day running of the Traditional Council offices and holding of cultural ceremonies. Through the Integrated Municipal Support Plan, the Department will continue to assist Municipalities to enhance service delivery. The Department will also support Municipalities on the functionality of Operation Vuka Sisebente (OVS) war rooms which assists in resolving issues raised by community members.

### **Public Private Partnerships**

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

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

No discontinued activities

### **Supply Chain Management**

The Department did not have unsolicited bid proposals for the financial year under review. The Department has established a fully functional Supply Chain Management unit. We have adopted a Supply Chain Management policy. All our officials have signed financial disclosure forms and we have adopted a Fraud Prevention policy. The Unit prepares and submits monthly and quarterly SCM reports to the Provincial Treasury. We have a functional system of internal controls that assists 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 aim to resolve this by fully utilising the Central Supplier Database and ensuring that business entities submit SBD4 forms in order to disclose their interests. The verification is an ongoing process.

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

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

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

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

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

No exemptions were received from the National Treasury

**Events after the reporting date**

The Department has processed the payment of accruals amounting to **R 1.745 million** for the 2016/17 financial year during the 1<sup>st</sup> quarter of the new financial year (2017/18).

**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**

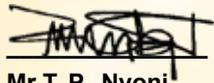
The Accounting Officer would like to acknowledge and appreciate the support received from the MEC, Senior Management and Staff of COGTA to make this year a success.

**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 86 to 129 has been approved by the Accounting Officer.



Mr T. P. Nyoni

Accounting Officer

Department of Co-operative Governance and Traditional Affairs

Date: 31/05/2017

**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.

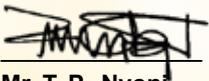
The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

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 2017.

Yours faithfully



**Mr. T. P. Nyoni**  
**Accounting Officer**  
Date 31/05/2017

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Responsive, 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.

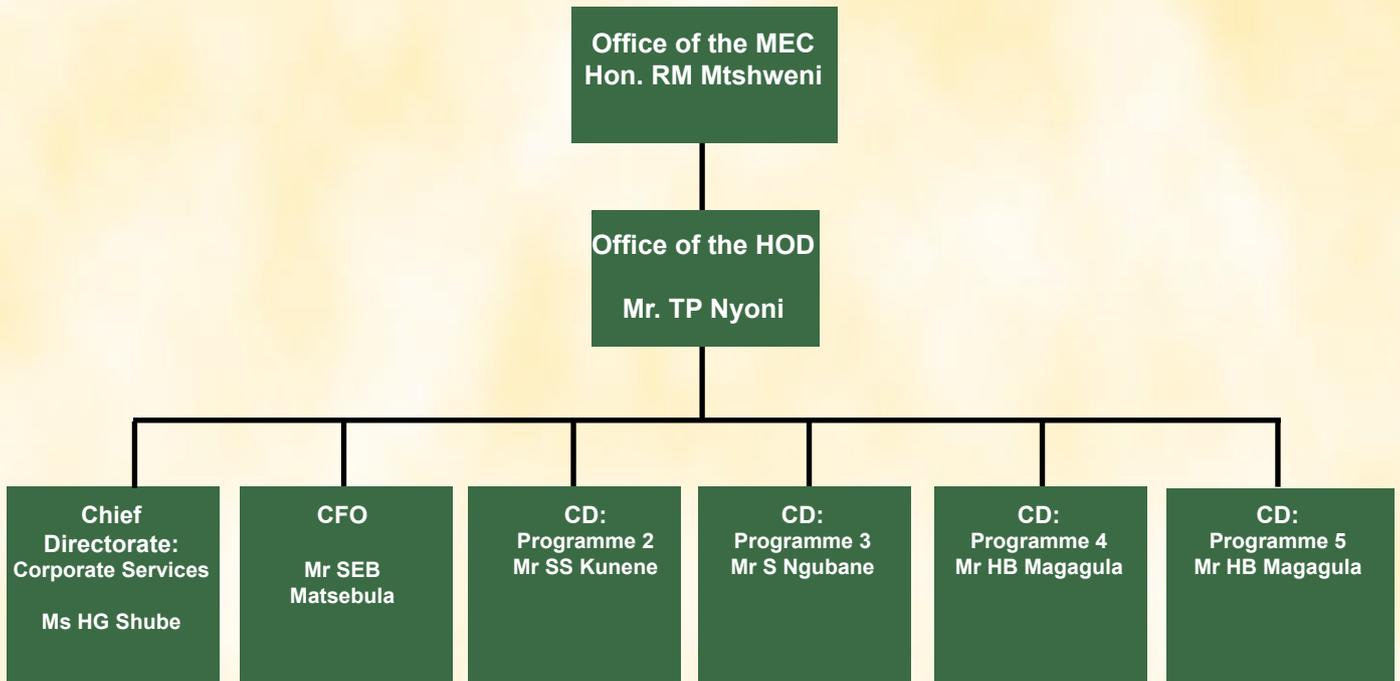
### **7.1.17 Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)**

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.

Refer to page 83 of the report of the Auditor General, published as Part E: Financial Information.

## 1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 1.1 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 2015/16 audit outcomes only three (3) 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 1 238 861 as stated in the Community Survey of 2016, therefore an increased demand of basic services such as access to water, sanitation, electricity and refuse removal was required. In order to meet the required demand the Department monitored households access to basic services, namely; water and sanitation in the Province, with 88% (total no. of 1 090 893 out of 1 238 861) households having access to water and 92% (total no. 1 145 583 out of 1 238 861) households having access to sanitation. An overall of 86% (total no. of 1 061 457 out of 1 238 861) households have access to electricity and 47% (total no. of 578 633 out of 1 238 861) households have access to refuse removal in the Province. A total of 1 030 Learners / Artisans underwent training through the War-on-Leaks Projects. All 17 PMUs in Local Municipalities were evaluated on MIG performance and monitored on the implementation of MIG projects. An expenditure of R1.280 billion (71%) has been reported as end of March 2017.

Community unrest in most of the Municipal areas for services such as water, roads and street lights, remains a challenge. In improving Ward level service delivery, the Department supported all 17 Local Municipalities on the development of Ward level Database with community concerns and remedial actions produced. The Department further supported all Local Municipalities on the functionality of OVS War Rooms and on Early Warning interventions by CDWs. In an effort to bring services to the people, the Department facilitated seventeen (17) Mobile Outreach Programmes in ten (10) Local Municipalities (Nkomazi, Chief Albert Luthuli, Dipaleseng, Govan Mbeki, Msukaligwa, Thaba Chweu, eMalahleni, Dr JS Moroka, Bushbuckridge and Steve Tshwete) as an access strategy on service delivery to communities.

The Department supported all Municipalities on GIS and further assessed their implementation of the Spatial Development Framework (SDFs). The Department evaluated 65 applications for Land Development and conducted 71 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 assessed 17 Local Municipalities on the implementation of SPLUMA during the period under review. Nine (9) Municipalities were supported to implement Local Economic Development catalytic projects in line with their Municipal LED Strategies (Bushbuckridge, Thaba Chweu, Nkomazi, Steve Tshwete, Emalahleni, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli, Dipaleseng and Dr JS Moroka). All seventeen (17) Local Municipalities were supported on disaster risk reduction campaigns with six (6) Municipalities supported on fire brigade services (Steve Tshwete, Lekwa, Bushbuckridge, Thembisile Hani, Nkomazi and Msukaligwa).

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

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

### 1.2 Service Delivery Improvement Plan

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

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>Local Governance</b>	Local Municipalities District Municipalities Sector Departments SALGA	Support 17 Local Municipalities on the functionality of OVS war rooms	17 Local Municipalities supported on the functionality of OVS war rooms	17 Local Municipalities supported on the functionality of OVS war rooms
<b>Development and Planning</b>	Local Municipalities District Municipalities Sector Departments SALGA	21 Municipalities with responsive IDPs approved	21 Municipalities supported with development of legal compliant IDPs	21 Municipalities supported with development of legal compliant IDPs
<b>Traditional Institution Management</b>	Traditional Councils	Provision of tools of trade to 10 Traditional Councils	1 Tool of trade provided to 10 Traditional Councils	1 Tractor provided as tool of trade to 44 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
	Access to information through OVS Model	OVS functional in all 17 Local Municipalities with Ward War Rooms established.

### 1.3 Organisational environment

The Executive Council has appointed a new Accounting Officer for the Department, in the name of Mr Tsietsi Peter Nyoni who assumed duties during the 2<sup>nd</sup> month of the 2<sup>nd</sup> quarter to ensure smooth running of the Department. The appointment did not have any effect on the ability of the Department to achieve its strategic intent. The Department is currently reviewing its organisational structure however the process is at its final stages. The effect of this process is that most critical vacancies in the Department were abolished and as a result officials have to carry the double burden until the process of review is finalised and approval is sought to fill posts.

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.

### 1.3 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.

## 2. 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 2015/16 financial year.
- ✓ Supported 12 Municipalities to comply with the Municipal Property Rates Act (MPRA)
- ✓ 20 Municipalities were supported to comply with MSA regulations (sub-outcome 3, Action 6) on the appointment of suitably qualified Senior Managers and to roll out gender policy framework.
- ✓ Convened 2 Municipal Performance Review sessions (1<sup>st</sup> Quarter and Mid-year) to monitor progress on the Performance of Municipalities,

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

- ✓ The Department supported Municipalities on the registration and approval of 265 MIG funded projects to the value of R1.8 billion and monitored the implementation of the projects thereof. The Provincial MIG expenditure stood at 71% (R1.280 billion) at the end of the 2016/17 financial year, including the additional funding of R29.3 million allocated to 4 Local Municipalities (Bushbuckridge, Nkomazi, Thaba Chweu and Dipaleseng) for good performance on MIG Programme, with a total of 63 projects completed to date.
- ✓ Households with access to water is at 88% (1 090 893 out of 1 238 861)
- ✓ Households with access to sanitation is at 92% (1 145 583 out of 1 238 861)
- ✓ Households with access to electricity is at 86% (1 061 457 out of 1 238 861)
- ✓ Households with access to refuse removal is at 47% (578 633 out of 1 238 861)

### 3. Promote social and economic development.

- ✓ The Department maintained **23 460** job opportunities through CWP
- ✓ New **2 971** work opportunities created through CWP through the up-scaling processes across the sites.
- ✓ **135** 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 supported all 17 Local Municipalities on early warning interventions by CDWs and on the functionality of OVS War rooms.
- ✓ The Department compiled 2 reports on the number of community report back meetings that were convened by Councillors in each ward.
- ✓ 137 Ward Committees were supported on the implementation of their Ward Operational Plans.
- ✓ Facilitated the establishment of ward committees

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

- ✓ The Department monitored all 20 Municipalities on effectiveness of s79 & s80 Committees.
- ✓ Monitored the effectiveness and stability of TROIKAs in executing their functions in all 20 Municipalities.
- ✓ Supported 20 Municipalities to review their organograms in line with the generic Municipal framework.
- ✓ Supported 12 Municipalities to comply with the Municipal Property Rates Act (MPRA)

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

- ✓ The Department monitored Municipalities on Blue Drop and Green Drop compliance status of the Water Treatment Works (WTW) and Waste Water Treatment Works (WWTW).
- ✓ The Department supported and monitored Municipalities on the "War-on-Leaks Program" interventions on municipal water works and a total of 1030 learners are still undergoing training through the programme.
- ✓ The Department supported 6 Municipalities on fire brigade services (Lekwa, Bushbuckridge, Thembisile Hani, Msukaligwa, Nkomazi and Steve Tshwete) and supported all 17 Local Municipalities in the Province on Disaster risk reduction campaigns.

### 3. PERFORMANCE INFORMATION BY PROGRAMME

#### 3.1 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
- Office of the Head of Department
- Finance
- Human Resource Management
- Legal Services
- Security Management
- Planning and Programme Management
- Communication and IT Support

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

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

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

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

Programme Name: ADMINISTRATION					
Strategic objectives	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/17	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To provide effective financial, technical, political and administrative support to the Department	Clean Audit outcome obtained	Sustained Clean Audit outcome	<b>Achieved</b> Clean Audit outcome sustained for 2015/16 financial year.	None	None

##### Reasons for deviations

There were no deviations made.

##### Performance indicators

Programme: Administration							
Sub-programme: Office of the MEC							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of MUNIMEC Forums held	-	-	-	4 MUNIMEC Forum held	<b>Achieved</b> 4 MUNIMEC Forum held	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Office of the HOD							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Technical MUNIMEC Forum held	-	-	-	4 Technical MUNIMEC Forum held	<b>Achieved</b> 4 Technical MUNIMEC Forum held	None	None

Programme: Administration							
Sub-programme: Finance							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Annual Financial Statements approved	1 Annual Financial Statement compiled	Annual Financial Statement approved	Annual Financial Statements approved	Annual Financial Statements approved	<b>Achieved</b> 1 Annual Financial Statements approved	None	None
Approved Budget	1 Main Budget compiled	1 Main budget approved	2016/17 Approved Budget	2017/18 Approved budget 2016/17 Adjustment Budget approved	<b>Achieved</b> 2017/18 Approved Budget <b>Achieved</b> 2016/17 Adjustment budget approved	None	None
Number of Monitoring reports on Risk Management	4 Reports on Risk Management compiled	1 Risk Management Plan approved	4 Monitoring Reports on Risk Management compiled	4 Monitoring Reports on Risk Management	<b>Achieved</b> 4 Monitoring Reports on Risk Management compiled	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Human Resource Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Planned Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
HR Oversight Report approved	4 Reports on HR management compiled (13 HR policies and 3 HR Plans approved)	4 HR Oversight Reports approved	2 HR Oversight Reports approved (2014/15 HR Oversight and mid-term 2015/16 HR Oversight)	4 HR Oversight Reports	<b>Achieved</b> 4 HR Oversight Reports compiled (Approved 2015/16 HR Oversight; 1 <sup>st</sup> Quarter, Mid-term, 9 Months and 4 <sup>th</sup> Quarter 2016/17 HR Oversight)	None	None
Skills audit conducted	-	-	Skills audit conducted	Skills audit conducted	<b>Achieved</b> Skills audit conducted	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Legal Services							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Legal opinions provided	4 Reports on legal services compiled	4 Reports on legal services compiled	93 Legal opinions provided	60 Legal opinions provided	<b>Achieved</b> 95 Legal opinions provided	35 Additional legal opinions provided	More requests for legal opinions were received
Number of Legislations drafted	-	-	2 Legislations drafted	2 Legislations drafted	<b>Achieved</b> 2 Legislations drafted	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Security Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Approved Security Management Plan implemented	4 Reports on security management services compiled	4 Reports on security management services compiled	1 Security Management Plan approved	Approved security management plan implemented	<b>Achieved</b> Approved Security Management Plan implemented	None	None

Programme: Administration							
Sub-programme: Corporate Services							
Sub-sub programme: Planning and Programme Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Annual Performance Plan approved	2014/15 APP approved and submitted	2015/2016 Annual Performance Plan approved	2016/2017 Annual Performance Plan approved	Approved 2017/18 APP	<b>Achieved</b> 2017/2018 APP approved	None	None
Annual Performance Report approved	2012/13 Annual Report approved and submitted	2013/14 Annual performance Report approved and submitted	2014/15 Annual Performance Report approved and submitted	1 Annual Performance Report approved	<b>Achieved</b> 1 Annual Performance Report approved and submitted (2015/2016)	None	None
Annual Policy Review	-	-	Annual Policy Review held	Annual Policy Review	<b>Achieved</b> Annual Policy Review held	None	None

<b>Programme: Administration</b> <b>Sub-programme: Corporate Services</b> <b>Sub-sub programme: Communication and IT Support</b>							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Approved Communication Plan</b>	4 Reports on implementation of Media Plan compiled	Communication and IT Plan approved	Communication Plan approved	Approved Communication Plan implemented	<b>Achieved</b> Communication Plan approved and implemented	None	None
	4 Reports on implementation of Marketing Plan compiled						
<b>Approved IT Plan</b>	4 Reports on implementation of Technology Plan compiled		IT Plan approved	Approved IT Plan implemented	<b>Achieved</b> IT Plan approved and implemented	None	None

#### **Reasons for deviations**

- Additional 35 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 R 123 658 million had increased by 6.5 percent or R 7.531 million in 2016/17 compared to R 116.755 million in 2015/16. This is due to the reduction in the Departmental budget allocation over the 2016 MTEF period as a result the Department has been forced to implement virements of funds from service delivery programmes in order to fund the operational requirements of the Department.

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

Sub- Programme Name	2016/2017			2015/2016		
	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	7 932	7 912	20	8 821	8 817	4
Administration	115 726	114 862	864	107 934	107 866	48
<b>Total</b>	<b>123 658</b>	<b>122 774</b>	<b>884</b>	<b>116 755</b>	<b>116 703</b>	<b>52</b>

## 3.2 Programme 2: Local Governance

### Purpose of the Programme

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

### List of the sub-programmes

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

### Strategic objectives for the financial year under review

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

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

- ✓ In order to strengthen the administrative, oversight capacity and accountability of nine (9) Municipalities to perform their developmental responsibilities, the Department supported Municipalities to obtain suitably qualified and competent Senior Managers, review organogram aligned to service delivery priorities, enhance Performance management systems and adopt service standards, capacitate Municipal officials and Councillors and revive inter-governmental structures. Further supported eleven (11) 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 eleven (11) Municipalities, the Department supported and monitored the functionality of Ward Committees, Early Warning Systems, Ward Operational Plans implementation, and Community report back meetings convened by Councillors.
- ✓ In facilitating public access to government information and services to communities through Thusong Service Centres, the Department monitored the functionality of existing Thusong Service Centres and facilitated the establishment of 3 Thusong Service Centres at Emoyeni & Dayizenza Malls and at Umjindi Trust in the City of Mbombela local municipality during the period under review.

**Strategic objectives:**

Programme Name: LOCAL GOVERNANCE					
Strategic objectives	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To strengthen the administrative, oversight capacity and accountability of Municipalities to perform their developmental responsibilities	5 Municipalities with effective institutional arrangements (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa and Govan Mbeki)	9 Municipalities with effective institutional arrangements	<b>Achieved</b> 9 Municipalities with effective institutional arrangements (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Emalahleni, Emakhazeni, Dipaleseng and Thembisile Hani). All 9 Municipalities have appointed suitably qualified Senior managers, organogram are aligned to their IDP's, performance management system in place and municipal officials and councilors capacitated.	None	None
	7 Municipalities with good governance practice (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Steve Tshwete and Mbombela)	11 Municipalities with good governance practice	<b>Achieved</b> 11 Municipalities have good governance practices (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Emalahleni, Emakhazeni, Dipaleseng, Lekwa, Dr Pixely and Thembisile Hani).	None	None
To promote governance and participatory democracy at local level	5 Municipalities with effective public participation programmes (Dr JS Moroka, Steve Tshwete, Bushbuckridge, Dipaleseng and Dr Pixley Ka Isaka Seme)	9 Municipalities with effective public participation programmes	<b>Achieved</b> 9 Municipalities with effective public participation programmes (Bushbuckridge, Nkomazi, Dr JS Moroka, eMalahleni, Steve Tshwete, Thembisile Hani, Chief Albert Luthuli, Dipaleseng 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 (Nkomazi, Thaba Chweu, Bushbuckridge, eMakhazeni, eMalahleni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka Isaka Seme, Govan Mbeki, Dipaleseng, Lekwa and Msukaligwa)	17 Municipalities with public access to government information and services to communities	<b>Achieved</b> All 17 Local Municipalities have public access to government information and services to communities	None	None

**Reasons for deviations**

- None

**Performance indicators**

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of Municipalities assessed on signed Senior Management Performance Agreement</b>	1 Report compiled on signed performance agreements for MMs and other Section 56 & 57 Managers	21 Municipalities assessed on the signed Performance Agreement for Senior Managers	21 Municipalities signed performance agreements for Senior Management, assessed and feedback provided to Municipalities	20 Municipalities assessed on signed Senior Management Performance Agreement	<b>Achieved</b> 20 Municipalities Assessed on signed Senior Management Performance Agreements	None	None
<b>Number of monitoring reports on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act (MSA)</b>	-	-	4 Monitoring reports on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act compiled	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
<b>Number of Municipalities monitored on effectiveness of s79 and s80 Committees</b>	-	Municipal Council Committees functional in 21 Municipalities	21 Municipal Councils assessed in terms of their performance oversight function (s79) 21 Municipalities monitored on effectiveness of S80 Committees	20 Municipalities monitored on effectiveness of s79 and s80 Committees	<b>Achieved</b> 20 Municipalities monitored on effectiveness of s79 and s80 Committees	None	None
<b>Number of monitoring reports on effectiveness and stability of the Municipal TROIKA in executing its functions</b>	-	TROIKA in 21 Municipalities functional	4 Monitoring reports on effectiveness and stability of the TROIKA in executing its functions compiled	4 Monitoring reports on effectiveness and stability of Municipal TROIKA in executing its functions	<b>Achieved</b> 4 Monitoring reports on effectiveness and stability of Municipal TROIKA in executing its functions compiled	None	None
<b>Number of Municipalities supported to review organogram</b>	4 Reports on the rollout of the approved Generic municipal Organogram Framework compiled	10 Municipalities supported to review organograms in line with generic Municipal Framework	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)	20 Municipalities supported to review organogram	<b>Achieved</b> 20 Municipalities supported to review organogram	None	None
<b>Number of Municipalities supported to review Municipal By-laws</b>	4 Reports on the rollout of the approved Generic municipal By-laws Framework compiled	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 ( Dr JS Moroka, Mkhondo, Dr Pixley Ka Isaka Seme, Victor Khanye, Dipaleseng, Chief Albert Luthuli, Msukaligwa, Emakhazeni and Lekwa)	9 Municipalities supported to review Municipal By-laws	<b>Achieved</b> 9 Municipalities supported to review Municipal By-laws in line with the Framework (Msukaligwa, Nkomazi, Dr Pixley Ka Isaka Seme, Thembisile Hani, Emalahleni, Bushbuckridge, Dipaleseng, Dr JS Moroka and City of Mbombela)	None	None

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of monitoring reports on actions taken to address Fraud and Corruption in Municipalities	-	21 Municipalities supported to reduce incidences / cases of unethical conduct by assisting in the development of anti-corruption strategies currently being implemented	4 Monitoring reports on actions taken to address Fraud and Corruption in Municipalities compiled	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 to comply with the MPRA	-	-	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)	12 Municipalities supported to comply with the MPRA	<b>Achieved</b> 12 Municipalities supported to comply with the MPRA (Mbombela, Nkomazi, Umjindi, Emakhazeni, Dr JS Moroka, Victor Khanye Dipaleseng, Thaba Chweu, Mkhondo Govan Mbeki, Lekwa and Dr Pixley ka Isaka Seme).	None	None
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 compiled	1 Report on 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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 6)	4 Status Quo Reports on the budgeted vacancies in Municipalities compiled	81% (100 out of 123) Municipal Senior Management positions are filled (22 Senior Managers' posts filled during 2014/15 financial year)	21 Municipalities supported to comply with MSA regulations	20 Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 6)	<b>Achieved</b> 20 Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 6)	None	None
Number of Municipalities supported to roll-out gender policy framework	-	-	21 Municipalities supported to roll-out gender policy framework	20 Municipalities supported to roll-out gender policy framework	<b>Achieved</b> 20 Municipalities supported to roll-out gender policy framework	None	None

Programme: Local Governance							
Sub-programme: Inter Governmental Relations							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities supported on the readiness of Local Elections	4 Reports compiled on the readiness of national and Provincial Elections	18 Municipalities supported on the readiness of local government elections	All 18 Local Municipalities supported on the readiness of 2016 Local Government Elections	18 Municipalities supported on the readiness of Local Elections	<b>Achieved</b> 18 Local Municipalities supported on the readiness of 2016 Local Government Elections	None	None
Number of assessment reports on the performance of IGR structures at Provincial and District levels	4 Reports on the functionality of Provincial and District IGR structures compiled	18 Municipalities supported on Inter-governmental Relations Framework (IGRF)	4 Monitoring reports on the implementation of recommendation on the strengthening of IGR structures in 3 District Municipalities compiled	4 Assessment reports on the performance of IGR structures at Provincial and District levels	<b>Achieved</b> 4 Assessment reports on the performance of IGR structures at Provincial and District levels compiled	None	None
Number of Municipalities established in the Province	-	-	-	20 Municipalities established in the Province	<b>Achieved</b> 20 Municipalities established in the Province	None	None

Programme: Local Governance							
Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Reports on the establishment of Ward Committees	4 Provincial Reports on the functionality of Ward Committees compiled	18 Municipalities supported on the functionality of Ward Committees	4 Reports on the effective Ward Committee System to deepen participatory democracy (Functional Ward Committee) compiled	1 Report on the establishment of Ward Committees	<b>Achieved</b> 1 Report on the establishment of Ward Committees compiled	None	None
Number of Municipalities supported on early warning interventions by CDWs	-	-	4 Reports on the effective early warning systems, updated ward profiles and public participation programmes implemented by CDWs compiled	17 Municipalities supported on early warning interventions by CDWs	<b>Achieved</b> 17 Municipalities supported on early warning interventions by CDWs	None	None
Number of Municipalities supported on the functionality of OVS War rooms	-	-	-	17 Municipalities supported on the functionality of OVS War rooms	<b>Achieved</b> 17 Municipalities supported on the functionality of OVS War rooms	None	None

## Sector Specific Performance Indicators

Programme: Local Governance							
Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Ward Committees supported on implementation of Ward Operational Plans	402 Ward based Profiles compiled	392 Ward Operational Plans reviewed 10 Ward Operational Plans developed and implemented	<b>Achieved</b> 402 Ward Committees supported on the implementation of Ward Operational Plans	100 Ward Committees supported on implementation of Ward Operational Plans	<b>Achieved</b> 137 Ward Committees supported on the implementation of Ward Operational Plans	37 Additional Ward Committees supported on the implementation of Ward Operational Plans	Development of ward operational plans was done concurrently with the induction of ward committees
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	17 Municipalities supported on the development of ward level database with community concerns and remedial actions produced	<b>Achieved</b> 17 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	-	-	4 Reports on the number of community report back meetings convened by Councillors in each ward compiled	2 Reports on the number of community report back meetings convened by Councillors in each ward	<b>Achieved</b> 2 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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of training Programmes for Councillors conducted	3 Capacity Development Programmes rolled out in Municipalities	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 conducted	1 Training Programme for Councillors conducted	<b>Achieved</b> 1 Training Programme for Councillors on roles and responsibilities conducted	None	None
Number of training Programmes for Municipal officials				1 Training Programme for Municipal Officials	<b>Achieved</b> 4 Training Programmes for Municipal Officials conducted (Waste Water Treatment Plant, Pressure Pipeline Design, Planning and Management for Infrastructure and introduction to Sewer Design)	3 Additional Training Programmes for Municipal Officials conducted	Department requested MISA to prioritize training officials on issues that will cover War on Leaks since it is a National Priority, which then led to the 4 trainings mentioned.
Number of Municipalities coordinated on submission of WSP's	-	21 Municipalities supported with compilation and submission of WSP's to LGSETA	21 Municipalities monitored on the implementation of WSPs	20 Municipalities coordinated on submission of WSP's	<b>Achieved</b> 20 Municipalities coordinated on submission of WSPs	None	None

## Sector Specific Performance Indicator

Programme: Local Governance							
Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	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 Thembisile Hani)	2 Capacity building interventions on Infrastructure Asset Management and Waste Water Treatment Plant Trainings conducted in Municipalities	2 Capacity building intervention conducted in Municipalities	<b>Achieved</b> 2 Capacity building interventions conducted in Municipalities  (1 for Municipal Officials on GCC2015 and 1 for Municipal Public Account Committees)	None	None

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipal performance review sessions conducted	2 District Performance Review Sessions conducted (Nkangala and Gert Sibande Districts)	21 Municipalities complied with the submission of annual and oversight reports	2 Municipal Performance Review Sessions conducted (1 <sup>st</sup> Quarter and Mid-term)	2 Municipal Performance Review Sessions conducted	<b>Achieved</b> 2 Municipal Performance Review Sessions conducted (1 <sup>st</sup> Quarter and Mid-year)	None	None
Number of monitoring reports on the IMSP implementation by Municipalities	4 Reports compiled on interventions at Emalaheni, Thaba Chweu, Bushbuckridge and Msukaligwa Local Municipalities	4 monitoring reports on the implementation of the support plans compiled	21 Reviewed scorecards for municipal performance rating completed	4 Monitoring reports on the IMSP implementation by Municipalities	<b>Achieved</b> 4 Monitoring reports on the IMSP implementation by Municipalities compiled	None	None

## Sector Specific Indicators

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of municipal performance reports compiled as per the requirements of s47 of the MSA	1 Section 47 Report approved	1 Approved Section 47 Report submitted to National Minister and Legislature	1 Municipal performance report as per the requirements of section 47 of the MSA compiled	1 Municipal performance report compiled as per the 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

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of Municipalities supported to institutionalize Performance Management System (PMS)</b>	-	21 Municipalities with functional Performance Management System (PMS)	4 Municipalities supported to institutionalize performance management system (PMS) (Nkomazi, Thaba Chweu, Dipaleseng and Emakhazeni)	11 Municipalities supported to institutionalize performance management system (PMS)	<b>Achieved</b> 11 Municipalities supported to institutionalize performance management system (PMS) (Dr Pixley Ka Isaka Seme, Msukaligwa, Dipaleseng, Lekwa, Emalahleni, Dr JS Moroka, Emakhazeni, Victor Khanye, Bushbuckridge, Thaba Chweu and Nkomazi)	None	None
<b>Report on implementation of Back to Basics support plans by municipalities</b>	-	-	4 Municipalities supported through Support Monitoring and Intervention Plans (SMIPs) (Nkomazi, Thaba Chweu, Dipaleseng and Emakhazeni)	4 Reports on implementation of Back to Basics support plans by Municipalities	<b>Achieved</b> 4 Reports on implementation of Back to Basics support plans by Municipalities	None	None

Programme: Local Governance							
Sub-programme: Service Delivery Improvement Unit (Provincial Priority)							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Report on the facilitation of access strategy on service delivery to communities</b>	4 Reports compiled on the establishment of 2 TSCs (Mashishing and eMzimoni)	1 TSC established (Adelaide Tambo) in Steve Tshwete local municipality	1 TSC established (Doornkop Thusing Service Centre)	Establishment of 1 TSC facilitated	<b>Achieved</b> Establishment of 3 TSCs facilitated (Emoyeni, Dayizenza Malls and in Umjindi Trust)	2 Additional TSCs facilitated for establishment	The establishment of TSCs facilitated exceeded planned output due to the demand of community needs
	4 Reports compiled on the coordination of Mobile Unit Outreach Programmes	4 Outreach Programmes facilitated in the 3 Districts	9 Mobile Unit Outreach programmes facilitated in local municipalities (Msukaligwa, Emakhazeni, 2X Nkomazi, Themobile Hani, 2X Thaba Chweu, Chief Albert Luthuli and Dr JS Moroka)	8 Mobile Outreach Programme facilitated in 8 Local Municipalities	<b>Achieved</b> 16 Mobile Unit Outreach programme facilitated in 10 Local Municipalities (2X Msukaligwa, 2 X Thaba Chweu, 2 X Nkomazi, Chief Albert Luthuli, 2 X Dipaleseng, Govan Mbeki, 2 X Bushbuckridge, Emalahleni, 2X Dr JS Moroka, Steve Thswete)	8 Additional Mobile Outreach programmes facilitated	Mobile outreach programmes were conducted as per the community needs in Local Municipalities

Programme: Local Governance							
Sub-programme: Service Delivery Improvement Unit (Provincial Priority)							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of monitoring reports on Community satisfaction survey outcome referred for intervention	-	-	Community satisfactory survey conducted in the 3 Districts	4 Monitoring reports on Community satisfaction survey outcome referred for intervention	<b>Achieved</b> 4 Monitoring reports on Community Satisfaction survey outcome referred for intervention compiled	None	None
Number of Municipalities institutionalising Batho Pele	Batho Pele institutionalized in 5 Municipalities (Msukaligwa, Dr JS moroka, Thembisile Hani, Nkomazi and Emakhazeni)	5 Municipalities institutionalized Batho Pele	4 Municipalities institutionalized Batho Pele  (Thaba Chweu, Nkomazi, Govan Mbeki and Dr JS Moroka LM)	5 Municipalities institutionalising Batho Pele	<b>Achieved</b> 5 Municipalities institutionalising Batho Pele  (Msukaligwa, Bushbuckridge, Chief Albert Luthuli, Dipaleseng and Steve Tshwete)	None	None

#### Reasons for deviations

- Department requested MISA to prioritize training officials on issues that will cover War on Leaks since it is a National Priority, which then led to the 3 additional trainings mentioned above.
- The establishment of TSCs facilitated exceeded planned output due to the demand of community needs
- 9 Additional Mobile Outreach programmes conducted as per the community needs in Local Municipalities
- 37 Additional Ward Committees supported on the implementation of Ward Operational Plans hence the development of ward operational plans was done concurrently with the induction of ward committees

#### 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 13.6 percent or R 20.640 from R 151 447 million in 2015/16 compared to R 172.087 million in 2016/17. This is mainly due to the salary increments for the programme that takes the biggest share of the Compensation of Employees budget, the once off allocations for Voter Education for the 2016 Local Government Elections and the function shift from the Office of The Premier for implementation of Operation Vuka Sisebente (OVS) 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	2016/2017			2015/2016		
	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	2 356	2 354	2	2 232	2 228	4
Municipal Administration	8 038	8 037	1	7 747	7 709	38
Public participation	147 405	147 408	(3)	133 377	133 315	62
Capacity Development	6 827	6 825	2	3 555	3 546	9
Municipal Performance Reporting and Evaluation	7 461	7 458	3	4 536	4 529	7
<b>Total</b>	<b>172 087</b>	<b>172 072</b>	<b>5</b>	<b>151 447</b>	<b>151 327</b>	<b>120</b>

### 3.3 Programme 3: Development and Planning

#### Purpose of the Programme

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

#### List of the sub-programmes

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

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

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

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

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

#### Strategic objectives:

Programme Name: DEVELOPMENT AND PLANNING					
Strategic objectives	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>To facilitate and coordinate integrated planning for sustainable infrastructure development and service delivery</b>	4 Municipalities with integrated development plans for sustainable infrastructure development and service delivery  (Steve Tshwete, Govan Mbeki, Thembisile Hani and Bushbuckridge)	9 Municipalities with integrated development plans for sustainable infrastructure development and service delivery	9 Municipalities with integrated development plans for sustainable infrastructure development and service delivery  (Govan Mbeki, Thembisile Hani, Steve Tshwete, Bushbuckridge, Chief Albert Luthuli, Lekwa, City of Mbombela, Nkomazi and Victor Khanye)	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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities monitored on the IDP development process	-	1 Annual IDP performance review conducted	4 Monitoring Reports on the IDP review process compiled	21 Municipalities monitored on the IDP development process	<b>Achieved</b> 21 Municipalities monitored on the IDP development process	None	None
Number of reports in the implementation of Municipal IDPs through SDBIPs	3 Assessment Reports on the implementation of the approved IDPs capital projects compiled (Water, Sanitation, Electricity, Roads, Waste Removal and integrated Human Settlement of Ehlanzeni, Gert Sibande and Nkangala Districts)	2 Assessment Reports on the alignment of SDBIP to approved IDPs, PMS and Budget compiled	4 Reports on the implementation of IDPs through SDBIPs compiled	4 Reports in the implementation of Municipal IDPs through SDBIPs	<b>Achieved</b> 4 Reports in the implementation of Municipal IDPs through SDBIPs compiled	None	None

## Sector Specific indicator

Programme: Development and Planning							
Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities supported with development of legal compliant IDPs	21 Municipal IDPs adopted and 18 Municipal IDP Process Plans analysed	21 Municipalities with responsive IDPs approved	21 Municipalities supported with the development of legal compliant 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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities assessed on the implementation of SDFs	21 Municipalities supported with the implementation of SDFs	21 Municipalities implementing SDFs	21 Municipalities supported on the alignment of SDFs with SPLUMA	20 Municipalities assessed on the implementation of SDFs	<b>Achieved</b> 20 Municipalities assessed on the implementation of SDFs	None	None
Number of Municipalities supported on GIS	-	21 Municipalities supported on GIS spatial referencing	21 Municipalities supported on GIS	20 Municipalities supported on GIS	<b>Achieved</b> 20 Municipalities supported on GIS	None	None
Functional Provincial Spatial Working Group	-	4 Functional Provincial Spatial Working Group	Provincial Spatial Working Group functional	Functional Provincial Spatial Working Group	<b>Achieved</b> Provincial Spatial Working Group functional	None	None

## Sector Specific Indicator

Programme: Development and Planning							
Sub-programme: Spatial Planning							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	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	17 Municipalities supported with the implementation of SPLUMA	<b>Achieved</b> 17 Municipalities supported with the implementation of SPLUMA	None	None

Programme: Development and Planning							
Sub-programme: Land Use Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of development applications evaluated for comments	4 Technical Evaluation Reports on Land development application compiled	166 Development applications complied with policy frameworks	111 Development applications evaluated	50 Development applications evaluated for comments	<b>Achieved</b> 65 Development applications evaluated for comments	15 Additional development applications evaluated	More development applications received for evaluation
Number of settlements supported with tenure upgrading processes	-	-	-	2 Settlements supported with tenure upgrading	<b>Achieved</b> 2 Settlements supported with tenure upgrading processes	None	None
Number of Township establishment projects	-	6 Municipalities supported with Township establishments (Thembisile Hani, Dr JS Moroka, Govan Mbeki, eMalahle-ni, Nkomazi and Thaba Chweu)	-	2 Township establishment projects at application submission stage	<b>Achieved</b> 2 Township establishment projects at application submission stage (Dr JS Moroka and Thembisile Hani)	None	None
Number of survey services rendered in the Province	-	137 Survey services rendered	185 Survey services rendered	200 survey services rendered in the Province	<b>Achieved</b> 258 Survey services rendered in the Province	58 Additional survey services rendered	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 compiled	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 in the implementation of SPLUMA on LUM	18 Municipal LUMS implementation reports compiled	18 Municipalities implementing LUMS	18 Municipalities supported on the alignment of LUS with SPLUMA	17 Municipalities supported in the implementation of SPLUMA on LUM	<b>Achieved</b> 17 Municipalities supported in the implementation of SPLUMA on LUM	None	None

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities monitored on the functionality of the LED Stakeholder Forums	4 Monitoring reports on the functionality of LED Forums in Municipalities	21 Municipal LED stakeholder forums functional	4 Monitoring reports on the functionality of the LED Stakeholder Forums compiled	20 Municipalities monitored on the functionality of LED Stakeholder Forums	<b>Achieved</b>  20 Municipalities monitored on the functionality of LED Stakeholder Forums	None	None
Number of work opportunities created through Youth Waste Management project	-	146 Jobs created on Youth Waste Management programme project through the use of EPWP incentive grant	132 Work opportunities created through Youth Waste Management project	120 work opportunities created through Youth Waste Management project	<b>Achieved</b>  135 Work opportunities created through Youth Waste Management project	15 Additional work opportunities created through Youth Waste Management project	The EPWP Incentive Grant allocated catered for the recruitment of additional Youth waste management project participants

### Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities supported to implement Local Economic Development projects in line with municipal LED strategies	-	-	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, Dipaleseng, Chief Albert Luthuli, Mkhondo, Govan Mbeki, Lekwa, Umjindi, Mbombela, Steve Tshwete, Dr JS Moroka, Thembisile Hani and Emalahleni)	6 Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies	<b>Achieved</b>  9 Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies. (Bushbuckridge, Thaba Chweu, Dr Pixley Ka Isaka Seme, Dipaleseng, Chief Albert Luthuli, Nkomazi, Steve Tshwete, Dr JS Moroka, and Emalahleni)	3 Additional Municipalities supported	The additional Municipalities had catalytic projects that needed to be supported and monitored by the Department
Number of Municipalities supported to implement the Red Tape reduction programme	-	-	4 Municipalities monitored to reduce cost of doing business through Red Tape intervention. (Govan Mbeki, Mbombela, Bushbuckridge and Steve Tshwete )	3 Municipalities supported to implement the Red Tape reduction programme	<b>Achieved</b>  4 Municipalities supported to implement the Red Tape reduction programme. (Nkomazi, Chief Albert Luthuli, Emalahleni and City of Mbombela)	1 Additional municipality was monitored to reduce cost of doing business through Red Tape intervention	The Municipality had a need to be supported and monitored by the Department on Red Tape Reduction

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of work opportunities maintained through the CWP in Municipalities</b>	18 846 Jobs maintained through CWP in the 13 identified Municipalities throughout the Province	18 432 Jobs maintained through CWP	23 460 Work opportunities maintained through CWP	20 000 work opportunities maintained through the CWP in all Local Municipalities	<b>Achieved</b> 26 431 Work opportunities maintained through the CWP in all Local Municipalities	6 431 additional work opportunities maintained	The 6 431 additional work opportunities were maintained of which 2 971 were newly created and had to be maintained as well

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of PMUs in Municipalities evaluated on MIG performance</b>	4 Reports on the implementation of MIG Programme compiled	18 MIG PMU performance evaluated in Municipalities	18 PMUs in Municipalities evaluated on MIG performance	17 PMUs in Municipalities evaluated on MIG performance	<b>Achieved</b> 18 PMUs in Municipalities evaluated on MIG performance	1 Additional PMU in Umjindi municipality evaluated on MIG performance	The process of amalgamating Umjindi and Mbombela was not finalized at the time of evaluating Municipalities on MIG performance in the 1 <sup>st</sup> quarter, hence the separate evaluations were done
<b>Number of Municipalities monitored on the implementation of MIG projects</b>	-	18 Municipalities with 100% registered projects of MIG allocation	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	17 Municipalities monitored on the implementation of MIG projects	<b>Achieved</b> 18 Municipalities monitored on the implementation of MIG projects  An expenditure of R1.280 billion (71%) has been reported as at end March 2017	1 Additional Municipality monitored on the implementation of MIG projects	The process of amalgamating Umjindi and Mbombela was not finalized at the time when Municipalities were monitored during the 1 <sup>st</sup> quarter on implementation of MIG projects, hence the separate monitoring was done
<b>Number of monitoring reports on Households with access to electricity in the Province</b>	965 599 (89.7%) households with access to electricity	92% (989 448 out of 1 075 488) of households have access to electricity	4 Monitoring reports on Households with access to electricity compiled	4 Monitoring reports on households with access to electricity in the Province	<b>Achieved</b> 4 Monitoring reports on Households with access to electricity in the Province compiled	None	None
<b>Number of monitoring reports on households with access to refuse removal in the Province</b>	537 743 (50%) households with access to refuse removal	53.8% (579 135 out of 1 075 488) of households have access to waste removal	4 Monitoring reports on Households with access to refuse removal have been compiled	4 Monitoring reports on households with access to refuse removal in the Province	<b>Achieved</b> 4 Monitoring reports on Households with access to refuse removal in the Province compiled	None	None

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of monitoring reports on the application of license disposal sites	-	18 Municipalities with licensed disposal sites	4 Monitoring reports on the application of licensed disposal sites compiled  60 out of 68 disposal sites licensed	4 Monitoring reports on the application of license disposal sites	<b>Achieved</b> 4 Monitoring reports on the application of licensed disposal sites (66 out of 69 landfill sites licensed)	None	None
Number of Municipal Offices renovated	-	-	-	1 Municipal Office renovated (Dipaleseng)	<b>Achieved</b> Dipaleseng Municipal Office renovated and upgrading of the Offices still in progress	The Department added a second phase to the renovations project being the upgrading and structural reinforcement of the Dipaleseng municipal offices	The renovation and upgrading project was informed by the bad condition of the existing offices and the need for additional offices to cater for the total demand in the organizational structure for 72 offices

#### Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities supported with service delivery programmes	-	-	18 Municipalities supported with service delivery programmes	17 Municipalities supported with service delivery programmes	<b>Achieved</b> 18 Municipalities supported with service delivery programmes	1 Additional Municipality supported with service delivery programmes	The process of amalgamating Umjindi and Mbombela was not finalized at the time when Municipalities were supported with service delivery programmes during the 1 <sup>st</sup> quarter, hence the separate support provided
Number of Municipalities supported to implement indigent policies (FBS)	-	-	16 Municipalities supported to implement FBS policies (Indigents) (Bushbuckridge, Mbombela, Nkomazi, Umjindi, Thaba Chweu, Dr JS Moroka, Emalahleni, Emakhaseni, Steve Tshwete, Thembisile Hani, Victor Khanye, Chief Albert Luthuli, Dipaleseng, Dr Pixley Ka Isaka Seme, Govan Mbeki and Lekwa)	17 Municipalities supported to implement indigent policies (FBS)	<b>Achieved</b> 18 Municipalities supported to implement indigent policies (FBS)	1 Additional Municipality supported to implement indigent policies (FBS)	The process of amalgamating Umjindi and Mbombela was not finalized at the time when Municipalities were supported to implement indigent policies during the 1 <sup>st</sup> quarter, hence the separate support

Programme: Development and Planning							
Sub-programme: Water Services							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of monitoring reports on households with access to water in the Province	1 020 638 (94.5%) households with access to water	96% (1 032 235 out of 1 075 488) of households with access to water	4 Monitoring reports on households with access to water compiled	4 Monitoring reports on households with access to water in the Province	<b>Achieved</b> 4 Monitoring reports on households with access to water in the Province compiled	None	None
Number of monitoring reports on households with access to sanitation in the Province	1 021 713 (95%) households with access to sanitation	93.7% (1 007 535 out of 1 075 488) of households have access to sanitation	4 Monitoring reports on households with access to sanitation compiled	4 Monitoring reports on households with access to sanitation in the Province	<b>Achieved</b> 4 Monitoring reports on households with access to sanitation in the Province compiled	None	None
Number of monitoring reports on Municipalities implementing "War-on-Leaks" Programme	-	-	3 Municipalities supported and monitored on the registration of the war on leaks project (Umjindi, Thaba Chweu and Lekwa LM)	4 Monitoring reports on Municipalities implementing "War-on-Leaks" Programme	<b>Achieved</b> 4 Monitoring reports on Municipalities implementing "War-on-Leaks" Programme 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 compiled	4 Monitoring reports on Blue Drop Compliance status of WTW by Municipalities	<b>Achieved</b> 4 Monitoring 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 compiled	4 monitoring reports on Green Drop Compliance status of WWTW by Municipalities	<b>Achieved</b> 4 Monitoring 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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Municipalities supported on disaster risk reduction campaigns	12 Risk Reduction campaigns conducted	18 Awareness campaigns conducted in 18 Local Municipalities	All 18 Municipalities supported on Disaster risk reduction campaigns	17 Municipalities supported on disaster risk reduction campaigns	<b>Achieved</b> All 17 Municipalities supported on Disaster risk reduction campaigns	None	None
Number of reports on disaster incidences and rehabilitation responded to in the Province	4 Reports on support provided to Disaster Stakeholders compiled	100% rapid responses rendered in the Province (Disaster incidents and rehabilitation and support provided to Provincial major events)	2 Reports on disaster incidences and rehabilitation responded to in the Province compiled	4 Reports on disaster incidences and rehabilitation responded to in the Province	<b>Achieved</b> 4 Reports on disaster incidences and rehabilitation responded to in the Province compiled	None	None
Number of reports on Provincial events supported			4 Reports on Provincial events supported compiled	4 Reports on Provincial events supported	<b>Achieved</b> 4 Reports on Provincial events supported compiled	None	None
Number of Municipalities supported on fire brigade services	4 Reports on the Fire Services Capacity Assessment in 8 Municipalities compiled	18 Municipalities with fire risks assessments	6 Municipalities assessed on fire brigade services (Dipaleseng, Umjindi, Thaba Chweu, Victor Khanye, Emakhazeni and Pixley Ka Isaka Seme)	6 Municipalities supported on fire brigade services	<b>Achieved</b> 6 Municipalities supported on fire brigade services (Lekwa, Bushbuckridge, Thembisile Hani, Msukaligwa, Nkomazi and Steve Tshwete)	None	None

## Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015//2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of functional Disaster Management Centres	-	-	4 Municipal Disaster Management Centres functional	4 Functional Disaster Management Centres	<b>Achieved</b> 4 Disaster Management Centres functional	None	None

### Reasons for deviations

- More development applications received for evaluation
- More requests for surveying services received
- The EPWP Incentive Grant allocated catered for the recruitment of additional Youth waste management project participants
- The 3 additional Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies had catalytic projects that needed to be supported and monitored by the Department
- The 1 Additional municipality monitored to reduce cost of doing business through Red Tape intervention had a need to be supported and monitored by the Department on Red Tape Reduction
- Additional budget allocation from National DCOG carted for 3 460 additional work opportunities to be maintained and 2 971 new work opportunities to be created through CWP
- The process of amalgamating Umjindi and Mbombela was not finalized at the time of evaluating Municipalities on MIG performance in the 1<sup>st</sup> quarter, hence the separate evaluations
- The process of amalgamating Umjindi and Mbombela was not finalized at the time when Municipalities were monitored during the 1<sup>st</sup> quarter on implementation of MIG projects, hence the separate monitoring was done
- The process of amalgamating Umjindi and Mbombela was not finalized at the time when Municipalities were supported with service delivery programmes during the 1<sup>st</sup> quarter, hence the separate support provided
- The process of amalgamating Umjindi and Mbombela was not finalized at the time when Municipalities were supported to implement indigent policies during the 1<sup>st</sup> quarter, hence the separate support
- The Department added a second phase to the renovations project being the upgrading and structural reinforcement of the Dipaleseng municipal offices

### Strategy to overcome areas of under performance

- None

### Changes to planned targets

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

### Linking performance with budget

The final budget for the programme amounts to R 146.925 million and has increased by 200 percent or R 98.079 million in 2016/17 compared to R 48.846 million in 2014/15. This is due to the once off allocations of R 85.500 million off which Disaster Relief Materials R30.0 million and the Electrification of Households Project R 55.500 million. 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	2016/2017			2015/2016		
	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	1 479	1 477	2	1 372	1 371	1
Strategy Development, Research and Policy (IDP)	2 899	2 895	4	2 832	2 832	-
Spatial Planning	5 023	5 019	4	4 318	4 318	-
Land Use Management	15 140	15 133	7	16 614	16 614	-
Local Economic Development	7 615	7 630	(15)	7 337	7 338	(1)
Municipal Infrastructure	78 435	78 431	4	7 919	7 917	2
Disaster Management	36 334	36 329	5	8 454	8 454	-
<b>Total</b>	<b>146 925</b>	<b>146 914</b>	<b>11</b>	<b>48 846</b>	<b>48 844</b>	<b>2</b>

### **3.4 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 Councils, Ward Committees, OVS War rooms, operational offices, sound financial administration and clear accountability to the traditional communities.

#### **Strategic objectives:**

Programme Name: TRADITIONAL INSTITUTION MANAGEMENT					
Strategic objectives	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Strengthen the institution of Traditional leadership to promote and contribute to service delivery, socio economic development, nation building, moral regeneration and preservation of culture within their jurisdiction</b>	30 Traditional Councils functional	40 Traditional Councils functional	<b>Achieved</b> 40 Traditional Councils functional	None	None
	1 Kings' Council functional (Makhosonke)	2 Kings' Councils functional	2 Kings' Council functional	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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of Capacity building programmes implemented for Traditional Councils</b>	3 Training Programmes on Conflict Management, Records management and Human Trafficking conducted for Traditional Leaders in the 3 Districts	3 Training Programmes implemented for Traditional Councils in the 3 Districts (Financial Management and Control System; Traditional Protocol and Etiquettes; Land Use Management)	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	2 Capacity building programmes implemented for Traditional Councils	<b>Achieved</b> 2 Capacity building programmes implemented for Traditional Councils in 3 Districts (Socio Economic and Financial Management)	None	None

Programme: Traditional Institution Management Sub-programme: Traditional Institution Management							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of TCs with sound Financial Management</b>	58 Traditional Councils functional	58 Traditional Councils with functional administrations	60 TCs with Financial Management Systems	60 TCs with sound Financial Management	<b>Achieved</b> 60 TCs with sound Financial Management implemented	None	None

Programme: Traditional Institution Management Sub-programme: Traditional Resource Administration							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of tools of trade provided to Traditional Councils</b>	1 Generic guideline on the development of Traditional Council policies developed	-	1 Tool of trade provided to Traditional Councils (procurement of vehicles)	1 Tool of trade provided to 10 Traditional Councils	<b>Achieved</b> 1 Tool of trade provided to 44 Traditional Councils (Tractors)	1 Tool of trade provided to additional 34 Traditional Councils (Tractors)	Additional funding for the procurement of tractors for Traditional Councils was received during the 2016/17 budget adjustment allocated
<b>Number of complaints finalized within 2 months after the date of receipt</b>	4 Reports on successions on Traditional Leadership compiled	100% claims and successions investigated (Giba and Moukan-gwe)	6 Traditional communities' disputes processed within 90 days of receipt	6 complaints finalized within 2 months after the date of receipt	<b>Achieved</b> 6 Complaints finalized within 2 months after the date of receipt	None	None

Programme: Traditional Institution Management							
Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
<b>Number of Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils</b>	4 Reports on Traditional Leaders participating in municipal Councils compiled	All 3 District Traditional Leaders participating in Municipal Councils	2 District Traditional Leaders mobilised to participate in Municipal Councils	20 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	<b>Achieved</b> 22 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	2 Additional TCs mobilised	The Department mobilised additional 2 TCs to discuss and resolve issues around their participation in municipal Councils
<b>Number of TCs which made written submissions into municipal IDP processes</b>	4 Reports on Traditional Leaders participating in Municipal Councils compiled	60 TCs participating in IDPs	31 TCs which made written submissions into municipal IDP processes	40 TCs which made written submissions into municipal IDP processes	<b>Achieved</b> 40 TCs which made written submissions into municipal IDP processes	None	None
<b>Number of Traditional Councils mobilised to participate in Ward Committees</b>	-	-	-	15 Traditional Councils mobilised to participate in Ward Committees	<b>Achieved</b> 15 Traditional Councils mobilised to participate in Ward Committees (Gutshwa, Moreipuso, Mbuyane, Nkambeni, Masoyi, Embhuleni, Mantjolo, Enikwakuyengwa, Madabukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Mabusa, Kgarudi, Mogane and KwaNdwalaza)	None	None
<b>Number of TCs mobilised to participate in OVS war rooms</b>	-	-	-	15 TCs mobilised to participate in OVS war rooms	<b>Achieved</b> 15 TCs mobilised to participate in OVS war rooms (KwaNdwalaza, Mahlaphahlapha, Ogenyaneni, Madubukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Somphalali, Bakgatla Ba Maloka, Bakgatla Ba Mmakau, Ndzundza Mabusa, Masoyi, Msogwaba, Matsamo, Moletele and Malele)	None	None
<b>Number of traditional council offices constructed</b>	4 Traditional Council offices supported for infrastructure development (eButsini, Mpsikazi, Lomshiyi and Mnisi)	-	3 Traditional Council offices constructed (uMjindi, Moreipuso and Barolong Ba Lefifi)	3 Traditional Council offices constructed	<b>Not Achieved</b> Construction on 4 Traditional Council Offices not completed (Mahlaphahlapha: 85%; Mantjolo: 90%; Mlambo: 85% and Bakgatla)	Construction of TC offices partially completed. 1 Additional Traditional Council Office (Mantjolo) was added due to reprioritization of the 2015/16 financial year	There were constant interferences by Traditional Councils on the administration of construction however, this has been addressed and smooth relations
<b>Number of Traditional Council Offices renovated</b>	-	-	-	5 Traditional Council Offices renovated	<b>Achieved:</b> 6 Traditional Council Offices renovated (Emfumbeni; Ebutsini; Mpsikazi; Enkambeni; Msogwaba and Empakeni)	1 additional Traditional Council Office renovated (Empakeni)	The additional renovated Empakeni TC was added due to the state of dilapidation

Number of Kings Palaces refurbished	-	-	-	2 Kings Palaces refurbished	<b>Not achieved</b>	No refurbishment done in King Mabhoko III's palace  King Makhosonke II's palace partly refurbished	King Mabhoko III: project was stopped after the King did not accept the contractor appointed by the Department citing cultural issues.  Makhosonke II: Interference by the Royal Family on the selection of the building structure had impacted on the delays.
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**Programme: Traditional Institution Management**

**Sub-programme: Rural Development Facilitation**

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of partnership Agreements that exist between Traditional Councils and PPPs (formal or informal)	-	-	-	3 Partnership Agreements that exist between Traditional Councils and PPPs (formal or informal)	<b>Achieved</b> 4 Partnership Agreements that exist between Traditional Councils and PPPs  <b>Formal Partnership Agreements:</b> -Komati Land Forest Limited and Mpsikazi TC  - Morning tide investment 254 (Pty) Ltd and Mpsikazi TC  <b>Informal Partnership Agreements:</b> -Old Age centre and Msogwaba TC  -Samora Camp Lodge and Hoxane TC	1 Additional partnership agreement exist between Traditional Council and PPP	The additional business partnership was entered into by the Traditional Council and a Private Company

**Programme: Traditional Institution Management**

**Sub-programme: Traditional Land Administration**

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Traditional land cases resolved within 2 months of receipt	21 Traditional cases resolved	17 Traditional land cases resolved	18 Traditional land cases resolved	15 Traditional land cases resolved within 2 months of receipt	<b>Achieved</b> 22 Traditional land cases resolved within 2 months of receipt	7 Additional Traditional land cases resolved	Interested and affected parties availability and timeous provision of information led to speedy resolution of Traditional land disputes
Number of district TCs mobilized to participate in land use planning	-	-	-	3 District TCs mobilized to participate in land use planning	<b>Achieved</b> 3 District TCs mobilized to participate in land use planning	None	None

**Programme: Traditional Institution Management**

**Sub-programme: Traditional Land Administration**

Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of reports on finalized claims and disputes lodged before 31 March 2015 as per s25(9) of the TLGF Act	61 Traditional Disputes and Claims cases finalized	46 Traditional Disputes and Claims cases finalized	17 CTLDC cases researched and processed	3 Reports on finalized claims and disputes lodged before 31 March 2015 as per s25(9) of the TLGF Act	<b>Achieved</b> 3 Reports on finalized claims and disputes lodged before 31 March 2015 as per s25(9) of the TLGF Act	None	None

### **Reasons for deviations**

- Additional funding for the procurement of tractors for Traditional Councils was received during the 2016/17 budget adjustment allocated
- The Department mobilised additional 2 TCs to discuss and resolve issues around their participation in municipal Councils
- There were constant interferences by Traditional Councils on the administration of construction of Traditional council offices hence they were offices were partially completed. However, this has been addressed and smooth relations prevailed.
- 1 Additional Traditional Council Office (Mantjolo) was added for construction due to reprioritization of the 2015/16 financial year target
- 1 Additional Traditional Council office renovated due to its state of dilapidation
- 1 Tool of trade provided to additional 34 Traditional Councils (Tractors) due to the additional funding received for the procurement of tractors for Traditional Councils during the 2016/17 adjustment
- King Mabhoko III: project was stopped after the King did not accept the contractor appointed by the Department citing cultural issues.
- Makhosonke II: Interference by the Royal Family on the selection of the building structure had impacted on the delays.
- The additional business partnership was entered into by the Traditional Council and a Private Company
- Interested and affected parties' availability and timeous provision of information led to the speedy resolution of disputes, hence the 7 additional Traditional land cases were resolved

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

- Contractors have submitted an acceleration plan and the project will be completed by 31 July 2017
- King Mabhoko III project was reprioritised and replaced with the renovation of the Kwalugedlane Traditional Council office in the 2017/18 financial year until consensus is reached with the King's Council
- The Contractors for King Makhosoke II have submitted an Acceleration Plan to complete the project by 31<sup>st</sup> July 2017

### **Changes to planned targets**

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

### **Linking performance with budgets**

The budget for the programme had significantly increased by R 13.863 million or 9.8 percent from R 141.615 million in 2015/16 to R 155.478 million in 2016/17. This increase is due to the R 29.000 million allocation for the ongoing project of procurement of Tractors and Farming Implements (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, however not all planned targets were achieved.

### **Sub-programme expenditure**

Sub- Programme Name	2016/2017			2015/2016		
	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	1 701	1 699	2	1 605	1 602	3
Traditional Institution Administration	16 838	16 834	4	17 773	17 773	-
Traditional Resource Administration	114 366	114 350	16	111 900	111 869	31
Rural Development Facilitation	20 077	20 075	2	8 108	8 105	3
Traditional Land Administration	2 496	2 492	4	2 229	2 228	1
<b>Total</b>	<b>155 478</b>	<b>155 450</b>	<b>28</b>	<b>141 615</b>	<b>141 577</b>	<b>38</b>

### 3.5 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 (Business Support)
  - 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 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
To advise government on policy and legislative development affecting Traditional Leaders, communities, custom, heritage and tradition	Provincial House of Traditional Leaders is functional and effective	A functional and effective Provincial House of Traditional Leaders	<b>Achieved</b> Provincial House of Traditional Leaders is functional and effective	None	None
	Collaboration between Local Houses and Stakeholders increased	Increased collaboration between Local Houses and Stakeholders	<b>Achieved</b> Collaboration between Local Houses and Stakeholders increased	None	None

#### Reasons for deviations

None

#### Performance indicators

Programme: House of Traditional Leaders							
Sub-programme: Administration of the House of Traditional Leaders							
Sub-sub programme: Office of the Chairperson							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of reports for Chairpersons Committee	4 Oversight reports on Chairperson's Committee Meetings held	4 Reports for Chairperson's Committee compiled	4 Reports for Chairpersons' Committee compiled	3 Reports for Chairpersons' Committee	<b>Achieved</b> 3 Reports for Chairpersons' Committee compiled	None	None
Traditional Leaders Indaba convened	1 Traditional leaders Indaba convened	1 Traditional leaders Indaba convened	1 Traditional Leaders Indaba convened	1 Traditional Leaders indaba convened	<b>Achieved</b> 1 Traditional Leaders Indaba convened	None	None

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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Chairpersons' Forum held	2 Reports on the sitting of the Provincial Chairperson's Forum compiled	3 Reports for Chairperson's Forum compiled	3 reports compiled for Chairperson's Forum held	3 Chairpersons' Forum held	<b>Achieved</b> 3 Chairpersons' Forum held	None	None
Number of Reports on the Executive Committee meetings	24 Reports of the Executive Committee Meetings compiled	12 Reports on the Executive Committee Meetings compiled	10 Reports on the Executive Committee Meetings compiled	4 Reports on the Executive Committee meetings	<b>Achieved</b> 4 Reports on the Executive Committee meetings compiled	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 compiled	1 Oversight report on provincial health programmes on health campaigns on HIV and AIDS	<b>Achieved</b> 1 Oversight report on provincial health programmes on health campaigns on HIV and AIDS compiled	None	None

Programme: House of Traditional Leaders							
Sub-programme: Administration of the House (Business Support)							
Performance Indicator	Actual Achievement 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Outreach programmes initiated by the Houses of Traditional Leaders	-	-	-	1 Outreach programme initiated by the Houses of Traditional Leaders	<b>Achieved</b> 1 Outreach programme initiated by the Houses of Traditional Leaders conducted	None	None
Number of initiation schools that comply with relevant legislation (Ingoma Act)	-	-	1 monitoring report on implementation of INGOMA Act compiled	5 initiation schools that comply with relevant legislation (Ingoma Act)	<b>Achieved</b> 5 initiation schools that comply with relevant legislation (Ingoma Act)	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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	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 convened	1 Annual Opening of the House of Traditional Leaders convened	1 Annual Opening of the House of Traditional Leaders	<b>Not Achieved</b>	Annual Opening of HTL not convened	The Department has reprioritized the opening of the House to the first quarter of 2017/18 financial year due to the reconstitution of the House of Traditional Leaders.
Number of Secretaries' Forums held	2 Secretaries' forum sittings held	4 Reports for Secretaries' Forum compiled	3 reports for Secretaries Forum compiled	1 Secretaries' Forum held	<b>Achieved</b> 1 Secretaries' Forum held	None	None
Sittings of HTL	-	4 Sittings of HTL convened	4 Sittings of HTL convened	3 Sittings of HTL	<b>Achieved</b> 3 Sittings of HTL convened	None	None
Special sittings of HTL	-	3 Special sittings of HTL convened	2 Special sittings of HTL convened	2 Special Sittings of HTL	<b>Achieved</b> 2 Special sitting of HTL 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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Research report on Genealogy	-	6 Approved Research reports on Genealogy compiled	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	10 Reports on research services rendered to Committees of HTL compiled	2 Reports on Research services rendered for the HTL compiled	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
Database on socio economic projects for traditional communities	-	-	1 Database on socio economic projects in traditional communities developed	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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of reports on Legal services rendered to HTL	4 Reports on legal services rendered compiled	4 Legal services rendered to Committees of HTL compiled	4 Reports on Legal services rendered to committees of HTL compiled	4 Reports on legal services rendered to HTL	<b>Achieved</b> 4 Reports on legal services rendered to HTL compiled	None	None
Number of submissions on legislations (Bills, policies and regulations)	-	1 Bill on National Traditional Affairs submitted	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)	6 Submissions on legislations (bills, policies and regulations)	<b>Achieved</b> 6 Submissions on legislations (bills, policies and regulations) made	None	None
Number of monitoring reports on compliance with HTL legislation	-	4 monitoring reports on compliance with HTL Legislations compiled	4 Monitoring reports on compliance with HTL Legislation compiled	4 Monitoring reports on compliance with HTL legislation	<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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of Provincial House Committees functional	Report on functionality of 5 Provincial House Committees compiled	5 Provincial House Committees functional	5 functional Provincial House Committees	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 compiled 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 2013/2014	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Annual Target 2016/2017	Actual Achievement 2016/2017	Deviation from planned target to Actual Achievement for 2016/2017	Comment on deviations
Number of functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	-	3 local houses functional (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 agricultural projects in Traditional communities	-	-	2 Oversight reports on Socio-economic viability of Traditional communities compiled	4 Oversight reports on agricultural projects in Traditional communities	<b>Achieved</b> 4 Oversight reports on agricultural projects in Traditional communities compiled	None	None

#### **Reasons for deviations**

- The Department has reprioritized the opening of the House to the first quarter of 2017/18 financial year due to the reconstitution of the House of Traditional Leaders.

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

- The Department will convene the opening of the house immediately after the reconstitution of the House of Traditional Leaders in the 2017/18 financial year and thereafter during the 4<sup>th</sup> quarter of each financial year.

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

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

### Linking performance with budgets

The final budget for the programme has increased by R 0.829 million or 4.7 per cent from R 17.629 million in 2015/16 to R 18.458 million in 2016/17. This is due to the budget reductions over the 2016 MTEF and Post Budget Adjustment Virements on savings to assist other programmes with spending pressures especially programme one. The savings resulted from the programmes inability to achieve one of the planned targets for 2016/17. The programme has managed to spend 100 percent of the final allocation and has achieved 98 percent of the planned targets.

### Sub-programme expenditure

Sub- Programme Name	2016/2017			2015/2016		
	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	7 471	7 467	4	6 419	6 415	4
Committees and Local Houses of Traditional Leaders	10 987	10 982	5	11 210	11 214	(4)
<b>Total</b>	<b>18 458</b>	<b>18 449</b>	<b>9</b>	<b>17 629</b>	<b>17 629</b>	<b>-</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 2016 to 31 March 2017

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
Amashangana	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Mocha Ba Maloka	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Mmakau	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Mocha Ba Moepi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Seabe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Barolong Ba Lefifi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Duma	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ebutsini	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Embhuleni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Emfumbeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Emjindini	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Enikwakuyengwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Enkhaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Gutshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Hoxane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Hhoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A

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
Jongilanga	TC's	Administration	Yes	150	150	N/A
Kgarudi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Lekgoetla	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Lomshiyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Lugedlane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Madabukela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mahlaphahlapha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
KwaNdwalaza-Mahlobo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala Makerane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Malele	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala Mbongo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala King Council (Makhosonke II)		Refurbishment Project	Yes	300	300	N/A
				400	400	N/A
		Annual Commemoration	Yes	300	300	N/A
Manala Mgibe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mandlamakhulu	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mandlangampisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mantjolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mashilane	TC's	Administration	Yes	150	150	N/A
Masoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mathibela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Matsamo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mawewe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mbuyane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mdluli	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mhlaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mlambo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mnisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mogane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mohlala	TC's	Administration	Yes	150	150	N/A
Moletete	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Moreipuso	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mpakeni	TC's	Administration	Yes	150	150	N/A
Mpisikazi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Msogwaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A

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
Ndlela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Fene	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Mabhoko III	King	Annual Commemoration	Yes	300	300	N/A
Ndzundza Mabusa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Pungutsha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Somphalali	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Nkambeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ogenyaneni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Sethlare	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Siboshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Somcuba Bhevula	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Thabakgolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
<b>TOTAL TRANSFERS</b>				<b>21 150</b>	<b>21 150</b>	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2016 to 31 March 2017, but no transfer payments were made

Name of transferee	Type of organisation	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
		Administration Grant	150	-	Non-compliance
Mpakeni	TC	Cultural ceremony	200	-	Not requested
Mohlala	TC	Cultural ceremony	200	-	Not requested
Jongilanga	TC	Cultural ceremony	200	-	Not requested
<b>TOTALS</b>			<b>1 150</b>		

## 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 R2.762 million. R2.741 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 120 work opportunities, however the Department managed to create 135 work opportunities.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2016 to 31 March 2017.

**Conditional Grant : Expanded Public Works Programme**

<b>Department who transferred the grant</b>	National Department of Public Works
<b>Purpose of the grant</b>	Expanded Public Works Programme (EPWP)
<b>Expected outputs of the grant</b>	120 work opportunities created
<b>Actual outputs achieved</b>	135 work opportunities created
<b>Amount per amended DORA</b>	R2.762 million
<b>Amount received (R'000)</b>	R2.762 million
<b>Reasons if amount as per DORA was not received</b>	None
<b>Amount spent by the Department (R'000)</b>	R2.762 million
<b>Reasons for the funds unspent by the entity</b>	None
<b>Reasons for deviations on performance</b>	None
<b>Measures taken to improve performance</b>	N/A
<b>Monitoring mechanism by the receiving Department</b>	Monthly reports

**7. DONOR FUNDS**

**7.1 Donor Funds Received**

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

**8. CAPITAL INVESTMENT**

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

The Department had no infrastructure projects or programmes other than the renovation of the Dipaleseng Municipal Offices, the construction of four (4) Traditional Council Offices, the renovation of five (5) Traditional Council Offices and the refurbishment of the two (2) Kings Palaces. The renovation of the Municipal Offices in Dipaleseng which turned out to be construction is done, with phase 1 completed within the allocated budget and phase 2 will be budgeted for completion in the 2017/18 financial year. All the 5 renovations of TCs are completed with an additional TC to add to 6 TCs renovated. The construction of the four (4) TCs were not completed, however, Contractors have been granted an extension of time until 31<sup>st</sup> July 2017, and have since submitted their Acceleration, whilst, the refurbishment of the two (2) Kings Palaces is also not achieved. The King Mabhoko III refurbishment project has since stopped, due to the King not allowing the Contractor to be on site. The Department is considering moving the project to other needy Traditional Council. The King Makhosonke II refurbishment project is delayed due to late appointment of Contractor by the Department, however, the appointed Contractor has committed to complete the project by end July 2017.

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 perform 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 88 501 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	2016 /2017			2015/2016		
	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	63 580	63 654	(74)	6 643	6 643	-
Existing infrastructure assets				420	420	-
- Upgrades and additions	6 541	6 470	71	420	420	-
- Rehabilitation, renovations and refurbishments	18 380	18 377	3	-	-	-
- Maintenance and repairs				-	-	-
<b>Total</b>	<b>88 501</b>	<b>88 501</b>	<b>-</b>	<b>7 063</b>	<b>7 063</b>	<b>-</b>

# PART C: GOVERNANCE



## 1. INTRODUCTION

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. During competitive bidding or quotation processes, service providers are required to complete the necessary forms to disclose their interests in terms of employment or relationships with officials employed by the state. They are further also required to disclose as relationships with other businesses. Only suppliers registered on the Central Supplier Database are used as the system automatically verifies against the PERSAL system and also detects involvement in other businesses.

The SCM processes further provide for the segregation of duties which also assists as a control measure to prevent and detect and conflicts of interest.

All SCM role players are required to declare their interests annually and all SCM role players appointed on any of the three bid committees are required to declare their interests at each sitting of the committee.

Bid Committee members are all required to declare their interest and to sign oath of secrecy.

## 5. CODE OF CONDUCT

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

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has complied with all safety standards in line with Occupational Health and Safety Act with the assistance of the Department of Public Works Roads and Transport as the custodian of all our Government buildings.

## 7. PORTFOLIO COMMITTEES

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

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

## 8. SCOPA RESOLUTIONS

There were SCOPA sittings to deliberate progress on the Department's Annual Report for 2014/15 and 2015/16 financial years held on the 11<sup>th</sup> August 2016 and 10<sup>th</sup> February 2017 respectively. The reported progress on the previous SCOPA resolutions is as stated in the table below;

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
3.1.1	Audit Action Plan for 2013/14 Financial Year	3.1.1(i) The Executive Authority must ensure that the Accounting Officer fill all vacant funded positions on time.	The Department advertised ten (10) Posts of Senior Managers in the 2014/15 Financial Year. Five (5) of the posts were filled within the prescribed time-frame. Five (5) of the posts were advertised late during the year and could not be filled as the Executive Council directed that the Department should review their organisational structures.	Yes
		3.1.1 (ii) The Accounting Officer must ensure that management exercise oversight responsibility regarding financial, performance reporting and related internal controls.	The Department has established an Annual Report Committee, which review the Annual Report Financial Statements and Performance Report prior to submission to Provincial Treasury and Auditor-General.	Yes
3.4	Internal Audit	3.3.1.(i) The Accounting Officer must submit to the Committee signed copies of the Audit Action Plan for 2013/14	The signed copy of the 2013 Audit Action Plan has been submitted to the Committee.  The Accounting Officer is evaluating and implementing the Internal Audit's recommendations and follow-up audits are being conducted by the Internal Audit Unit to monitor progress on the implementation of their recommendation.	Yes
		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.	All responsibility managers have been directed to take the Internal Audit Unit's function serious and implement its recommendations accordingly.	Yes
3.6	Accruals	3.4.1(i) The Accounting Officer must develop a plan that will ensure that the Department maintains the clean audit.	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.  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 Regulation.	Yes
3.7	Clean audit for municipalities	The Accounting Officer must monitor progress made by municipalities in order to achieve clean audits	The Accounting Officer working with Provincial Treasury is monitoring and providing support to ensure that all municipalities develop and implement audit action plan (External and Internal audits) to address audit findings raised by Internal and External Auditors with the objective of obtaining a clean audit and improve service delivery within their areas of jurisdiction.  The Department together with Provincial Treasury continues to support all the municipalities with the implementation of the approved Integrated Municipal Support Plan to ensure improved financial management and service delivery.	Yes

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
3.8		3.5.1.(i) The Accounting Officer must put plans to minimize the accruals.	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. Regular follow ups are being made with service providers to submit their invoices within 30 days after a service/good has been rendered /delivered.	Yes
3.9	Irregular, Fruitless and Wasteful Expenditure	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.	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).	Yes
		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.	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.	Yes
		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.	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.	Yes
		3.6.1 (iv) The Accounting Officer must recover the fruitless and wasteful expenditure relating to officials with NO shows hotels.	The Department has created debts and is currently deducting all NO show fees from the affected officials.	Yes
3.13	Irregular Expenditure	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	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.	Yes
		3.7.1.(ii) Accounting Officer must provide proof that the irregular expenditure amounting to R836 000 was timely reported to Treasury.	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.  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.	Yes
		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.	Debtors older than 90 days are handed over Legal Section to issue letters of demand and institute legal actions to recover such debts / monies.	Yes
3.3	3.3 Progress on the implementation of SCOPA resolutions for 2013/14 financial year.	(i) The Accounting Officer must take disciplinary action against 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 PFMA and Treasury Regulations 8.2.3	Letters of intent to institute disciplinary actions to officials who failed to ensure that monies owed by the Department are settled within 30 days have been issued to the affected officials.  Verbal warning has been issues to the affected officials and in order to prevent recurrence of the findings the following measures have been put in place;  The Department has centralised the submission of invoices within Expenditure Unit and follow-up is being made on daily basis with services providers and end-users with the objective of ensuring that all invoices are settled within 30 days.	NO, Ongoing

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
3.17	3.17 Progress on the implementation of SCOPA resolutions for 2013/14 financial year.	The Accounting Officer must ensure that the Department implements recommendations of the Internal Audit Committee	The accounting officer is evaluating and implementing the Audit committee's recommendations and follow up audits are being conducted by the Internal Audit Unit to monitor progress on the implementation of the Committee's recommendations.  The Department will also provide progress report on the Audit Committee's resolutions on quarterly basis during the sittings.  Disciplinary actions will be taken by the accounting officer on officials who fail to comply with such recommendations.	NO, Ongoing
3.18	3.17 Progress on the implementation of SCOPA resolutions for 2013/14 financial year.	The Accounting Officer must ensure that there is an Official (Secretariat) responsible for providing support and keeping of documents for the Audit Committee	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.	Yes
3.1	3.1.1 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.	iii) The Department must develop a local government oversight model for the province that will assist Municipalities to achieve clean audits	Through the Intervention Plan emanating from the analysis of audit outcomes for 2015/16 financial year, the Department has identified areas of intervention led by different Forums / Task Teams which are inclusive of COGTA, Provincial Treasury, Office of the Premier, SALGA and District Municipalities with an objective of assisting Municipalities to improve their audit outcomes for 2016/17 financial year.  The Task Teams / Forums will meet on quarterly basis to assess progress on the implementation of proposed improvement plans and Municipal Audit Action Plans amongst others.	NO, Not implemented, The Local Government Oversight Model must be developed to guide common practise and set norms and standards for section 79 and 80 Committees. A progress will be required by May 2017
3.2	3.2 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.	The Department to provide progress report regarding litigations	<b>3.2.1 STEMASHAN SPHEPHELO VS MEC &amp; HOD R24 708 000.00</b> On 09 March 2016 matter postponed to a future date-Plaintiff failed to put matter down for adequate court dates for trial. In May 2016 Plaintiff filed Request for Extra Documents and Defendants replied. Await new court date.  <b>3.2.2 AFRICAN GAZA CHURCH/TIBONELENI PRIMARY SCHOOL, THE MEC COGTA AND EDUCATION AND MPAKENI TRIBAL AUTHORITY: R39 000.00</b> On 16 February 2016 Rescission of Judgment granted in favour of Defendants. (Warrant of Execution no more in effect). Hearing of exception postponed on 18 May 2016 due to the unavailability of Counsel for Plaintiff. Await new court date.  <b>3.2.3 THWALA AND 3 OTHERS V/S MEC COGTA AND MBOMBELA MUNICIPALITY R944 000</b> On 01 August 2016 matter was removed form Roll by Plaintiff. Date for round table conference is 19/01/2017.	Yes
3.2	3.2.1 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.	i) The Accounting Officer must monitor the litigations and ensure that the best interest of the Department is upheld.	The Department working together with the State Attorneys monitor the litigations on regular basis with an objective of ensuring that the best interest of the Department is upheld.	Yes

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
3.2	3.1.1 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.	(i) The Accounting Officer must develop a plan on how the department will improve audit outcomes at local government level in the province and submit report to the Legislature by 30 November 2016	The Department together with the Provincial Treasury will establish a task team which is inclusive of SALGA and District Municipalities to monitor and enforce implementation of the following; <ul style="list-style-type: none"> <li>a. Approved audit action plans (Internal and External audits) implementation.</li> <li>b. Establishment of Risk Management Committees and resolutions implementation</li> <li>c. Establishment of Audit Committee and resolutions implementation</li> <li>d. MPACs resolutions</li> <li>e. Internal Audit recommendations and follow up audits thereof</li> <li>f. Any other oversight structures resolutions within the Municipality</li> </ul>	Yes
3.4	3.3.1 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.	ii) The Accounting Officer must make a follow up with the SIU on the outcomes and finalisation of the Water for All project matters	The report on the investigation of Water for All projects has not been made available by the SIU. The Department has received communication from the SIU that such a report will be sent directly to the office of the President. However, should a copy be received by the Department, it will be made available to the Committee.	NO, Ongoing  The MEC must request the Premier to write to Presidency and request that the matter be expedited and closed to enable the department to clear it from its books.
4.1	SCOPA resolutions for 2015/16 financial year: Accruals	(i). The Accounting Officer must provide a report on progress made in settling the outstanding accruals amounting R1 390 000.00	The accruals of R 1390 000 which relate to contractual obligations invoices were settled within the allocated budget for 2016/17 financial year. Progress report will tabled before SCOPA in the next sitting.	No
5.1	SCOPA resolutions for 2015/16 financial year: Irregular Expenditure	(i). The Executive Authority must provide a progress report on the investigation on irregular expenditure and measures taken to accordingly regulate the expenditure.	The Irregular expenditure of R 1.419 million incurred by the Department relates to centralized legal fees from the Office of the Premier and is still under investigation by the Internal Audit Unit. Progress report will be tabled before SCOPA upon finalization of the investigation.	No
6.1	SCOPA resolutions for 2015/16 financial year: Contingent Liabilities	(i). The Accounting Officer must expedite the litigations and provide the Committee with a progress report.	The Department is working closely with the State Attorney to expedite the finalization of the litigations. Progress report will be provided to the Committee in the next sitting.	No
7.1	SCOPA resolutions for 2015/16 financial year: SIU; Water for All flagship projects	The Executive Authority (MEC) must through the Premier write to the Presidency and request that the investigation on Water for All flagship Projects be expedited to finality.	The Executive Authority will issue a letter to the Premier's Office to request the Presidency to expedite the investigation of the Water for All Flagship Projects by 30 June 2017.	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 within the Office of the Premier. The shared Internal Audit function was established in terms of Section 38 (1) (a) (ii) of the PFMA and obtains its mandate from the PFMA and its Treasury Regulations.

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

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

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

In accordance with the Treasury Regulation 3.2.6, which requires that internal audit must be in accordance with the Standards; during the year under review, the shared Internal Audit function reviewed and amended its operations to ensure that they are aligned with the revised Standards.

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, its Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing ("Standards") set by the Institute of Internal Auditors. During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. These plans were supported by the Head of the Department and approved by the Audit Committee in May 2016.

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

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

#### **Assurance services**

- Monitoring 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;
- Supply Chain Management
- Risk Management;
- Development and Planning;
- Transfer Payments and Conditional Grants;
- Performance Audit on Human Resource Management;

#### **Consulting services**

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

### 11.2 Audit Committee

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

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

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

#### Attendance of audit committee meetings by audit committee members

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

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

The shared Audit Committee meetings held were attended as follows:

Name	Qualifications	Internal or External	Date appointed	Date Resigned / End of term	No of meetings attended
Ms PS Mzizi <b>Chairperson</b>	BBusSc Finance (Hons) BCompt (Hons) CTA CA (SA) BCom (Hons) Transport Economics	External	1 Feb 2016	N/A	8
Adv G Khoza	BProc LLB HDip in Tax Law	External	1 Feb 2016	N/A	8
Mr XP Khumalo	BCom BCom Hons (Accounting) CA(SA)	External	1 Feb 2016	N/A	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	8
Mr T Zororo	BSc Hons Information Systems Post Graduate Diploma in Computer Auditing Certified Internal Auditor (CIA) Certified Information System Auditor (CISA) Certified Information Security Manager (CISM) Certified in Risk & Information Systems Control (CRISC) Certified in Risk Management Assurance (CRMA) Certified in the Governance of Enterprise IT (CGEIT) Certified COBIT 5 Assessor	External	1 Feb 2016	N/A	2

## **Report of the Audit Committee**

We are pleased to present our final report for the financial year ended 31 March 2017.

## **Audit Committee Members and Attendance**

The Audit Committee consists of the members listed hereunder and should meet at least twice (2) times per annum as per section 77(b) of Public Finance Management Act. During the current year six (6) scheduled meetings were held by the 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	6	6
Adv G Khoza	BProc (UWC) LLB (UWC) HDip in Tax Law (RAU)	External Member Appointed - 01 Feb 2016	6	6
Mr XP Khumalo CA(SA)	BCom (UN) BCom Hons(Accounting) (UN)	External Member Appointed from 01 Feb 2016 – 31 May 2017	6	3
Mr MS Mthembu	Diploma in Accounting and Business Studies (UNISWA) BCom Accounting (UNISWA) MBL (UNISA)	External Member Appointed - 01 Feb 2016	6	6
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 from 01 Feb 2016 – 31 May 2017	6	1
Mr. HG Hlomane	Masters in IT (UP) BSc Degree in Mathematical Science (UCT) Diploma in Project Management (Varsity College) Diploma in Business Management (Varsity College)	External Member Appointed – 01 March 2017	6	N/A
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme in Project Management (UNISA)	External Member Appointed – 01 March 2017	6	N/A

## **Audit Committee Responsibility**

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

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

The lack of Audit Committee minutes has impacted negatively on the effective functioning of the Audit Committee.

## **The effectiveness of internal control**

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

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

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

## **Risk Management**

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

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

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

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

**Evaluation of the Annual Financial Statements**

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

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

**Evaluation of the reporting on predetermined objectives**

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

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

**Compliance with laws and regulations**

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

**Internal Audit**

The Audit Committee is not satisfied that the Internal Audit function operated effectively and that it has addressed the risks pertinent to the department in its audits during the year under review due to capacity constraints and also that some of the reports were not issued timeously.

**Auditor General South Africa**

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

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

The Audit Committee concurs 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 strongly recommends that the Department must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits so as to sustain clean administration.

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer and Management, Internal Auditors and Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:

*P. Mzizi*

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**Ms P Mzizi CA (SA)**

**Chairperson of the Audit Committee**

**Date: 31 July 2017**

# **PART D: HUMAN RESOURCE MANAGEMENT**



## HUMAN RESOURCES GOVERNANCE

### 1. Introduction

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

### 2. The overview of Human Resources in the Department (status)

The Department currently employs **841** employees who are based at head office and in the three Districts of the Province. The above 841 employees includes the 27 Senior Traditional Leaders which are appointed as political office bearers to access medical aid benefits as per the Presidential Proclamation. These employees are an integral resource of the Department. The Department has been in the process of reviewing its organisational structure. The final report has been submitted to the Department of Public Service and Administration to get concurrence before implementation. The Department has critical posts at management level which could not be filled as a result of the moratorium. Such posts were therefore abolished as per the resolution of the Executive Council. Upon approval of the organisational structure, the Department will request an approval from the Executive Council to fill these posts.

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

- Finalise the organisational structure review process. As soon as the structure is finalised the Department will be able to fill critical vacant posts and improve service delivery.
- Build Employee Capabilities. The Department has put a training programme with accredited skills programmes. The aim is to build capacity for employees to improve management expertise in the Department.
- Create awareness sessions on the implementation of PMDS Policy. The impact of these sessions is to the increased staff morale of high performers and improved performance of under performers.
- Promotion of sound labour relations. The impact of this priority to improve the relationship between management and organised labour.
- Monitor the implementation of employee health and wellness.
  - The impact of this priority is to improve the health and wellbeing of employees.
- Improve on records management. To promote the use of the file plan and encourage proper records keeping and thereby contribute to clean audit outcomes.

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

The Annual Adjusted Human Resource Plan of (2016-17) indicated the required competencies at the relevant performance levels as well as the capacity in terms of posts that the Department requires. Most of the competencies that the Department requires are scarce and difficult to attract and retain.

In order to attract these employees the Department submits to the Department of Education a list of scarce skills learning areas where bursaries are offered to matriculants with an intention of giving work opportunities as soon as they finish their tertiary studies within the identified scarce fields. During the first quarter the Department advertised four posts of internships in Water Science, Environmental Science and in Town Planning. The appointments of these interns are now finalised and they have assume duties.

The Department has developed a training programme and one of the highlights during the last quarter is the skills programmes for junior and middle managers implemented through NSG. This is one way of ensuring that a critical mass of expert employees is available for succession planning. These managers are prepared with the necessary capabilities to assume leadership positions at SMS Level within the Department.

#### 2.3 Employee Performance Management

The implementation of the PMDS Policy is still a challenge. The major concern is the level of non-compliance to submission deadlines. A presentation was made in Senior Management meeting on this challenge and it was resolved that non-compliance should be dealt with accordingly and HR to implement strict internal controls to improve this. The current PMDS Policy was reviewed at a provincial level and a new policy will be implemented in the 2017/18 financial year.

#### 2.4 Employee Wellness Programmes

The Department applies a holistic approach to the health and well-being of employees. EHWP focuses on health but also on personal matters that may have negative impact on the wellbeing of the employee. The Employee Assistance Programmes were implemented as referred by relevant officials and the necessary interventions were done as prescribed. Proactive programmes were implemented as per the DPSA Employee Health and Wellness Strategic Framework for the Public Service. Cases were referred to relevant institutions and follow up sessions are done by the Employee Health and Wellness Unit.

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

- Employee satisfaction survey was conducted and results presented to management.
- Monitored signing of Attendance Registers, conducted leave audit and presented findings to management.
- Appointed 8 Interns.
- Human Resource Plan has been reviewed, approved and submitted to DPSA.
- Presentation of the Plan to Management.
- Skills Development Plan and presentation of the plan to management.
- Developed a training programme and implemented the planned targets.
- Reviewed the Employee Health and Wellness Policies, The two frameworks for Gender Equality and Persons with disabilities, approved and submitted to DPSA.
- Improvement on MPAT results.

- **Challenges faced by the Department**

- Inadequate competencies and expertise to provide the required support to Municipalities
- Non-compliance on performance management by employees and managers
- Meeting the Employment Equity Targets.
- Appointing 5% of the total payroll of Interns into the Department due to inadequate funding and availability of posts.

- **Future HR Plans**

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

- Training of senior managers on EDP.
- Skills matching and proper placement of staff.
- Strengthen compliance on HR Policies.
- Improving records management.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1 Personnel related expenditure

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

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

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2016 and 31 March 2017**

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)
Administration	123 603	70 300	0	0	57%	466
Local Governance	172 083	153 866	0	0	89%	296
Development & Planning	146 914	36 276	0	0	25%	576
Traditional Institution Management	155 449	79 289	0	0	51%	130
The House of Traditional Leaders	18 449	11 619	0	0	63%	143
<b>Total as on Financial Systems (BAS)</b>	<b>616 498</b>	<b>351 350</b>	<b>0</b>	<b>0</b>	<b>57%</b>	<b>247</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2016 and 31 March 2017**

Salary Bands	Compensation of Employees Cost including Transfers (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Services (R'000)
Abnormal Appointment	52 493	15%	90	69 794
Contract (Levels 1-2)	16	0%	0	21
Contract (Levels 13-16)	906	0%	0	1 205
Contract (Levels 3-5)	1 028	0%	257	1 367
Contract (Levels 6-8)	664	0%	332	883
Contract (Levels 9-12)	3 970	1%	662	5 278
Contract Other	80	0%	16	106
Highly skilled production (Levels 6-8)	158 543	45%	272	210 797
Highly skilled supervision (Levels 9-12)	92 347	26%	600	122 784
Lower skilled (Levels 1-2)	87	0%	0	116
Periodical Remunerations	10	0%	10	13
Senior management (Levels 13-16)	24 605	7%	1172	32 715
Skilled (Levels 3-5)	16 601	5%	255	22 073
<b>TOTAL</b>	<b>351 350</b>	<b>100%</b>	<b>246.6</b>	<b>467 152</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the Period 1 April 2016 and 31 March 2017**

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
Administration	63 898	18%	1 334	0%	1 936	1%	3 132	1%	70 300
Local Governance	135 113	38%	0	0%	7 103	2%	11 648	3%	153 866
Development & Planning	34 345	10%	18	0%	736	0%	1 177	0%	36 276
Traditional Institution Management	78 132	22%	4	0%	730	0%	423	0%	79 289
The House of Traditional Leaders	9 934	3%	1	0%	256	0%	1 428	0%	11 619
<b>TOTAL</b>	<b>321 422</b>	<b>91%</b>	<b>1 357</b>	<b>0%</b>	<b>10 761</b>	<b>3%</b>	<b>17 810</b>	<b>5%</b>	<b>351 350</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 and 31 March 2017**

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Salary Band (R'000)
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs	
Abnormal Appointment	52 493	16%	0	0	0	0	0	0	52 493
Contract (Levels 1-2)	16	0%	0	0	0	0	0	0	16
Contract (Levels 13-16)	906	0%	0	0	0	0	0	0	906
Contract (Levels 3-5)	922	0%	5	0%	29	12%	72	0	1 028
Contract (Levels 6-8)	603	0%	0	0%	17	7%	44	0	664
Contract (Levels 9-12)	3 901	1%	0	0%	20	8%	49	0	3 970
Contract Other	80	0%	0	0%	0	0%	0	0	80
Highly skilled production (Levels 6-8)	137 925	43%	635	0%	7 443	2%	12 540	4%	158 543
Highly skilled supervision (Levels 9-12)	86 910	27%	587	0%	1 584	0%	3 266	1%	92 347
Lower skilled (Levels 1-2)	72	0%	0	0%	8	0%	7	0%	87
Periodical Remunerations	10	0%	0	0%	0	0%	0	0%	10
Senior management (Levels 13-16)	23 700	7%	0	0%	602	0%	303	0%	24 605
Skilled (Levels 3-5)	13 884	4%	130	0%	1 058	0%	1 529	0%	16 601
<b>TOTAL</b>	<b>321 422</b>	<b>91%</b>	<b>1 357</b>	<b>0%</b>	<b>10 761</b>	<b>3%</b>	<b>17 810</b>	<b>5%</b>	<b>351 350</b>

### 3.1. 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 2016 and 31 March 2017**

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administration permanent	151	151	0	0
Development & Planning permanent	63	63	0	0
Local Governance, Permanent	520	520	0	0
House of Traditional Leaders, permanent	26	26	0	0
Traditional Institution Management, permanent	81	81	0	0
<b>TOTAL</b>	<b>841</b>	<b>841</b>	<b>0</b>	<b>0</b>

**Table 3.2.2 Employment and vacancies by salary band as on 1 April 2016 and 31 March 2017**

Salary Band	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
02 Skilled (Levels 3-5), Permanent	65	65	0	0
03 Highly Skilled Production (Levels 6-8), Permanent	582	582	0	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	154	154	0	0
05 Senior Management (Levels 13-16), Permanent	21	21	0	0
09 Other, Permanent	5	5	0	0
11 Contract (Levels 3-5), Permanent	4	4	0	0
12 Contract (Levels 6-8), Permanent	2	2	0	0
13 Contract (Levels 9-12), Permanent	7	7	0	0
14 Contract (Levels 13-16), Permanent	1	1	0	0
<b>TOTAL</b>	<b>841</b>	<b>841</b>	<b>0</b>	<b>0</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 1 April 2016 and 31 March 2017**

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
Administrative related, permanent	148	148	0	0
Agriculture related, permanent	4	4	0	0
Architects town and traffic planners, permanent	6	6	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 clerks, permanent	1	1	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	484	484	0	0
Other administrative policy and related officers, permanent	27	27	0	0
Other occupations, permanent	30	30	0	0
Quantity surveyors & rela prof not class elsewhere, permanent	2	2	0	0
Secretaries & other keyboard operating clerks, permanent	28	28	0	0
Senior managers, permanent	17	17	0	0
<b>Total</b>	<b>841</b>	<b>841</b>	<b>0</b>	<b>0</b>

### 3.2. 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 2016 and 31 March 2017**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 (MEC/ DG)	1	1	100%	0	0%
Salary Level 15 (HOD)	1	1	100%	0	0%
Salary Level 14	5	5	100%	0	0%
Salary Level 13	17	14	83%	3	5%
<b>Total</b>	<b>24</b>	<b>21</b>	<b>88%</b>	<b>3</b>	<b>7%</b>

**Table 3.3.2 Advertising and filling of SMS posts for the period 1 April 2016 and 31 March 2017**

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	1	1	100%	0	0%
Salary Level 14	0	0	0%	0	0%
Salary Level 13	3	0	0%	3	0%
<b>Total</b>	<b>4</b>	<b>1</b>	<b>100%</b>	<b>3</b>	<b>33%</b>

**Table 3.3.3 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017**

Reasons for vacancies not advertised within six months
The senior manager: Management accounting vacated the post on 01/02/2017
The senior manager :HRM could not be advertised due to moratorium
The senior manager :Capacity Development could not be advertised due to moratorium

Reasons for vacancies not filled within six months
The senior manager: Management accounting vacated the post on 01/02/2017
The senior manager :HRM could not be filled due to moratorium
The senior manager :Capacity Development could not be filled due to moratorium

**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 2016 and 31 March 2017**

Reasons for vacancies not advertised within six months
none

Reasons for vacancies not filled within six months
none

**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 2016 and 31 March 2017**

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
02 Skilled (Levels 3-5)	65	0	0	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	582	0	0	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	155	0	0	20	13%	0	0
05 Senior Management Service Band A	14	0	0	0	0	0	0
06 Senior Management Service Band B	5	0	0	0	0	0	0
07 Senior Management Service Band C	1	0	0	0	0	0	0
08 Senior Management Service Band D	1	0	0	0	0	0	0
09 Other	5	0	0	0	0	0	0
11 Contract (Levels 3-5)	4	0	0	0	0	0	0
12 Contract (Levels 6-8)	2	0	0	0	0	0	0
13 Contract (Levels 9-12)	6	0	0	0	0	0	0
14 Contract Band A	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>841</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>2%</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 2016 and 31 March 2017**

Gender	African	Asian	Coloured	White	Total
Female	8	0	0	0	8
Male	12	0	0	0	12
<b>Total</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</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 2016 and 31 March 2017**

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 2016 and 31 March 2017**

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	0	0	0	0
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**Notes**

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

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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**3.3. 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 2016 and 31 March 2017**

Salary band	Number of employees at beginning of period-1 April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	8	0	0	0%
02 Skilled (Levels 3-5) Permanent	209	6	0	3%
03 Highly Skilled Production (Levels 6-8) Permanent	464	3	11	-2%
04 Highly Skilled Supervision (Levels 9-12) Permanent	129	0	1	-1%
05 Senior Management Service Band A Permanent	17	0	2	-12%
06 Senior Management Service Band B Permanent	5	0	0	0%
07 Senior Management Service Band C Permanent	1	0	1	-100%
08 Senior Management Service Band D Permanent	1	0	0	0%
11 Contract (Levels 3-5) Permanent	6	0	2	-33%
12 Contract (Levels 6-8) Permanent	4	0	0	0%
13 Contract (Levels 9-12) Permanent	4	0	1	25%
14 Contract Band A Permanent	1	1	0	100%
<b>TOTAL</b>	<b>849</b>	<b>10</b>	<b>18</b>	<b>-1%</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 and 31 March 2017**

Critical occupation	Number of employees at beginning of period-April 2016	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Administrative related permanent	145	6	2	3%
Agriculture related permanent	4	0	0	0%
Architects town and traffic planners permanent	7	0	0	0%
Cartographic surveying and related technicians permanent	3	0	0	0%
Cleaners in offices workshops hospitals etc. Permanent	18	0	0	0%
Communication and information related permanent	3	0	0	0%
Engineering sciences related permanent	1	0	0	0%
Engineers and related professionals permanent	3	0	0	0%
Finance and economics related permanent	7	0	0	0%
Financial and related professionals permanent	10	0	0	0%
Financial clerks and credit controllers permanent	10	0	0	0%
General legal administration & rel. Professionals permanent	2	0	0	0%
Head of Department/chief executive officer permanent	2	0	1	-50%
Human resources & organisat developm & relate prof permanent	1	0	0	0%
Human resources clerks permanent	2	0	1	-50%
Human resources related permanent	8	0	0	0%
Information technology related permanent	17	0	0	0%
Library mail and related clerks permanent	4	0	0	0%
Messengers porters and deliverers permanent	6	0	1	-17%
Motor vehicle drivers permanent	1	0	0	0%
Other administrat & related clerks and organisers permanent	487	0	10	-2%
Other administrative policy and related officers permanent	27	0	0	0
Other occupations permanent	28	3	1	7%
Quantity surveyors & rela prof not class elsewhere permanent	1	0	0	0%
Secretaries & other keyboard operating clerks permanent	28	0	0	0%
Engineers and related professionals	0	1	0	0%
Senior managers permanent	24	0	2	-8%
<b>Total</b>	<b>849</b>	<b>10</b>	<b>18</b>	<b>-1%</b>

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

**Table 3.5.3 Reasons why staff left the Department for the period 1 April 2016 and 31 March 2017**

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death, Permanent	5	28%	1%	5	841
Resignation, Permanent	8	44%	1%	8	841
Expiry of contract, Permanent	2	11%	0%	2	841
Discharged due to ill health, Permanent	1	6%	0%	1	841
Retirement, Permanent	2	11%	0%	2	841
<b>TOTAL</b>	<b>18</b>	<b>100%</b>	<b>2%</b>	<b>18</b>	<b>841</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017**

Occupation	Employment at Beginning of April 2016	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Administrative related	145	0	0	119	82%
Agriculture related	4	0	0	4	100%
Architects town and traffic planners	7	0	0	3	43%
Cartographic surveying and related technicians	3	0	0	2	67%
Cleaners in offices workshops hospitals etc.	18	0	0	10	56%
Communication and information related	3	0	0	2	67%
Engineering sciences related	1	0	0	0	0%
Engineers and related professionals	3	0	0	3	100%
Finance and economics related	7	0	0	7	100%
Financial and related professionals	10	0	0	10	100%
Financial clerks and credit controllers	10	0	0	10	100%
General legal administration & rel. Professionals	2	0	0	2	100%
Head of Department/chief executive officer	2	0	0	0	0%
Human resources & organisat developm & relate prof	1	0	0	0	0%
Human resources clerks	2	0	0	1	50%
Human resources related	8	0	0	7	88%
Information technology related	17	0	0	16	94%
Library mail and related clerks	4	0	0	4	100%
Messengers porters and deliverers	6	0	0	3	50%
Motor vehicle drivers	1	0	0	1	100%
Other administrat & related clerks and organisers	487	0	0	273	56%
Other administrative policy and related officers	27	0	0	18	67%
Other occupations	28	0	0	4	14%
Quantity surveyors & rela prof not class elsewhere	1	0	0	1	100%
Secretaries & other keyboard operating clerks	28	0	0	17	61%
Senior managers	24	1	4%	17	71%
<b>Total</b>	<b>849</b>	<b>1</b>	<b>0%</b>	<b>534</b>	<b>63%</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017**

Salary Band	Employment at Beginning of April 2016	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower Skilled (Levels 1-2), Permanent	8	0	0	0	0
Skilled (Levels 3-5), Permanent	209	0	0	133	64%
Highly Skilled Production (Levels 6-8), Permanent	464	0	0	252	54%
Highly Skilled Supervision (Levels 9-12), Permanent	129	0	0	129	100%
Senior Management (Levels 13-16), Permanent	24	1	4%	19	79.9%
Contract (Levels 3-5), Permanent	6	0	0	0	0%
Contract (Levels 6-8), Permanent	4	0	0	0	0%
Contract (Levels 9-12), Permanent	4	0	0	1	25%
Contract (Levels 13-16), Permanent	1	0	0	0	0
<b>TOTAL</b>	<b>849</b>	<b>1</b>	<b>0%</b>	<b>534</b>	<b>63%</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 2016 and 31 March 2017**

Occupational Categories	Male African	Male, Coloured	Male Indian	Male White	Female African	Female, Coloured	Female, Indian	Female, White	Total
Senior officials and managers	10	0	0	0	8	0	0	1	19
Professionals	29	1	0	3	28	0	0	1	62
Technicians and associate professionals	86	1	0	1	89	0	0	1	178
Clerks	244	1	1	0	280	0	0	2	528
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Labourers and related workers	31	0	0	0	22	0	0	0	53
<b>Total</b>	<b>401</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>427</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>841</b>
Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)									
<b>Employees with disabilities</b>	<b>5</b>				<b>3</b>				<b>8</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 1 April 2016 and 31 March 2017**

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	11	0	0	1	6	0	0	1	19
Professionally qualified and experienced specialists and mid-management, Permanent	87	1	0	2	62	0	0	2	154
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	278	2	1	0	302	0	0	0	583
Semi-skilled and discretionary decision making, Permanent	17	0	0	0	46	0	0	2	65
Not Available, Permanent	2	0	0	0	3	0	0	0	5
Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
Contract (Professionally Qualified), Permanent	2	0	0	1	3	0	0	0	6
Contract (Skilled Technical), Permanent	0	0	0	0	2	0	0	0	2
Contract (Semi-Skilled), Permanent	3	0	0	0	1	0	0	0	4
<b>TOTAL</b>	<b>401</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>427</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>841</b>

**Table 3.6.3 Recruitment for the period 1 April 2016 and 31 March 2017**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	3	0	0	0	0	0	0	0	3
Not Available, Permanent	2	0	0	0	3	0	0	0	5
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>Employees with disabilities</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>

**Table 3.6.4 Promotions for the period 1 April 2016 and 31 March 2017 (pay progression)**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management, Permanent	1	0	0		0	0	0	0	1
Senior Management, Permanent	12	0	0		0	6	0	0	19
Professionally qualified and experienced specialists and mid-management, Permanent	77	1	0		2	56	0	0	138
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	174	2	0		0	151	0	0	327
Semi-skilled and discretionary decision making, Permanent	13	0	0		0	33	0	0	48
Contract (Professionally qualified), Permanent	0	0	0		1	0	0	0	1
<b>TOTAL</b>	<b>277</b>	<b>3</b>	<b>0</b>		<b>3</b>	<b>246</b>	<b>0</b>	<b>5</b>	<b>534</b>

**Table 3.6.5 Terminations for the period 1 April 2016 and 31 March 2017**

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	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	8	0	0	0	3	0	0	0	11
Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	1
Contract (Semi-skilled), Permanent	2	0	0	0	0	0	0	0	2
<b>TOTAL</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>

**Table 3.6.6 Disciplinary action for the period 1 April 2016 and 31 March 2017**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Written warning	1				2				3

**Table 3.6.7 Skills development for the period 1 April 2016 and 31 March 2017**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	4				5			1	10
Professionals	44			4	20			1	69
Technicians and associate professionals	45				63				108
Clerks	11				20				31
Service and sales workers									
Skilled agriculture and fishery workers									
Craft and related trades workers									
Plant and machine operators and assemblers									
Elementary occupations									
<b>Total</b>	<b>104</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>219</b>
<b>Employees with disabilities</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

**3.7 Signing of Performance Agreements by SMS Members**

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

**Table 3.7.1 Signing of Performance Agreements by SMS members as on 1 April 2016**

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				
Salary Level 15(HOD)	1	1	1	100%
Salary Level 14	5	5	5	100%
Salary Level 13	18	18	18	100%
<b>Total</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>100%</b>

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2016**

Reasons
None

**Notes**

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

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2016**

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 2016 and 31 March 2017**

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	224	423	53%	3 004	13 412
African, Male	171	393	44%	2 755	16 117
Asian, Female	0	0	0	0	0
Asian, Male	0	1	0	0	0
Coloured, Male	0	0	0	0	0
Coloured, Female	2	3	67%	22	10 760
Total Blacks, Female	224	423	53%	3 004	13 412
Total Blacks, Male	173	398	43%	2 856	16 506
White, Female	5	5	100%	111	22 192
White, Male	2	4	50%	70	35 230
Employees with a disability	8	11	73%	75	9 375
<b>TOTAL</b>	<b>412</b>	<b>841</b>	<b>49%</b>	<b>6 116</b>	<b>14 845</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 and 31 March 2017**

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	58	65	89%	360	6 206
Highly skilled production (Levels 6-8)	206	582	35%	1932	9 381
Highly skilled supervision (Levels 9-12)	126	154	82%	2886	22 648
Other	0	5	0%	0	0
Contract (Levels 3-5)	1	4	25%	15	14 564
Contract (Levels 6-8)	0	2	0%	0	0
Contract (Levels 9-12)	1	6	17%	14	13 909
<b>TOTAL</b>	<b>392</b>	<b>818</b>	<b>48%</b>	<b>5 207</b>	<b>13 284</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2016 and 31 March 2017**

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Administrative related	112	148	76%	2 235	19 953
Agriculture related	3	4	75%	17	5 813
Architects town and traffic planners	4	6	67%	120	29 917
Cartographic surveying and related technicians	0	3	0%	0	0
Cleaners in offices workshops hospitals etc.	16	18	89%	87	5 429
Communication and information related	2	3	67%	32	16 105
Engineering sciences related	0	1	0%	0	0
Engineers and related professionals	2	3	67%	48	23 855
Finance and economics related	6	7	86%	145	24 126
Financial and related professionals	7	10	70%	154	21 950
Financial clerks and credit controllers	7	10	70%	101	14 400
General legal administration & rel. Professionals	2	2	100%	56	27 895
Head of department/chief executive officer	1	2	50%	45	44 520
Human resources clerks	1	1	100%	7	6 850
Human resources related	8	8	100%	181	22 685
Information technology related	10	17	59%	160	15 975
Library mail and related clerks	4	4	100%	28	6 975
Messengers porters and deliverers	3	5	60%	17	5 723
Motor vehicle drivers	1	1	100%	7	7 050
Other administrat & related clerks and organisers	159	484	32%	1 434	9 019
Other administrative policy and related officers	20	27	74%	221	11 037
Other occupations	3	30	10%	28	9 460
Quantity surveyors & rela prof not class elsewhere	1	1	100%	21	20 680
Secretaries & other keyboard operating clerks	23	28	82%	162	7 055
Senior managers	17	17	100%	812	47 744
<b>TOTAL</b>	<b>412</b>	<b>840</b>	<b>49%</b>	<b>6 116</b>	<b>14 845</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 and 31 March 2017**

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	14	18	78%	591	42 214	2	14 980
Band B	5	5	100%	274	54 800	1	6 010
Band C	1	1	100%	44	44 000	0	1 328
Band D	0	1	0	0	0	0	1910
<b>TOTAL</b>	<b>20</b>	<b>25</b>	<b>80%</b>	<b>909</b>	<b>45 450</b>	<b>4</b>	<b>24 228</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 2016 and 31 March 2017**

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Contract (level 9-12)	1	50	1	50	0	0
Abnormal 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>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2016 and 31 March 2017**

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 2016 and 31 March 2017**

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 13-16)	10	100%	1	10%	10	33	310	10
Contract (Levels 3-5)	5	40%	2	40%	2.5	3	310	2
Contract (Levels 9-12)	33	15%	2	6%	16.5	86	310	5
Highly skilled production (Levels 6-8)	1 515	54%	158	10%	9.59	1 633	310	819
Highly skilled supervision (Levels 9-12)	667	54%	93	14%	7	1 509	310	362
Lower skilled (Levels 1-2)	1	100%	1	100%	1.00	1	310	1
Senior management (Levels 13-16)	33	67%	7	21%	4.71	115	310	22
Skilled (Levels 3-5)	283	57%	46	16%	6.15	208	310	161
<b>TOTAL</b>	<b>2 547</b>	<b>54%</b>	<b>310</b>	<b>100%</b>	<b>8.22</b>	<b>3 588</b>	<b>310</b>	<b>1 382</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2016 and 31 March 2017**

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	123	100%	2	2%	61.5	119	123	3
Highly skilled supervision (Levels 9-12)	36	100%	1	3%	36	102	36	3
<b>TOTAL</b>	<b>159</b>	<b>100%</b>	<b>3</b>	<b>2%</b>	<b>53</b>	<b>221</b>	<b>159</b>	<b>6</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 2016 and 31 March 2017**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 13-16)	29	1	29
Contract (Levels 3-5)	72	4	18
Contract (Levels 6-8)	41	3	14
Contract (Levels 9-12)	111	7	16
Highly skilled production (Levels 6-8)	10 040	511	20
Highly skilled supervision (Levels 9-12)	3 358	154	22
Senior management (Levels 13-16)	434	23	19
Skilled (Levels 3-5)	1 664	85	20
<b>TOTAL</b>	<b>15 749</b>	<b>788</b>	<b>20</b>

**Table 3.10.4 Capped leave for the period 1 April 2016 and 31 March 2017**

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
Highly skilled production (Levels 6-8)	1	1	83	1	3 672	44
Highly skilled supervision (Levels 9-12)	-	-	70	-	4 284	61
Senior management (Levels 13-16)	-	-	38	-	491	13
Skilled (Levels 3-5)	-	-	59	-	1 056	18
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>70</b>	<b>1</b>	<b>9 503</b>	<b>136</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 2016 and 31 March 2017**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Capped leave payouts on termination of service for current financial year	668	15	44 533
Current leave payout on termination of service for current financial year	277	7	39 571
Leave payout for current financial year due to non-utilisation of leave for the previous cycle	21	2	10 500
<b>TOTAL</b>	<b>966</b>	<b>24</b>	<b>40 250</b>

**Table 3.10.6 Injury on duty for the period 1 April 2016 and 31 March 2017**

Nature of injury on duty	Number of	% of total
Temporary total disablement	-	-
Required basic medical attention only	4	100%
<b>TOTAL</b>	<b>4</b>	<b>100%</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
n/a	n/a

**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		Ms H G Shube Chief Director Support 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		Ms N L Malupe Ms K M Letele Mr I P Chiloane No specific budget for HIV.
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		Awareness campaigns Conduct HCT Provision of male and female condoms
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		Each directorate has a representative that forms part of the committee. Members: Mr Musa Mbethe Financial Accounting, Mr Welcome Themba Union representative. Mr Bheki Simelane Supply Chain Management, Ms Ntokozo Ndubazi Legal, Ms Lindiwe Local Economic Development, Ms Lindiwe Msibi Communication Mr Kgomotso Manzini Public Participation, Ms Nancy Matshume, Spatial Planning, Ms Happy Nkosi Human Resource., Mr Khumsi Mavuso Disaster Management, Ms Kholiwe Nkambule Traditional Institution Management, Ms Ester Maluleka Land use management, Ms Phumzile Mali Planning and programming management, Ms Phumzile Nyoni House of Traditional Leaders, Ms Smangele Ntuli Traditional Institution management Regional office.
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 policy Employment Equity 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		HIV policy in place for protection of such.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		HCT services are made available at the workplace. GEMS and Department of Health conduct HCT and the results received are just numbers no names attached, Employees want their results kept confidential as they already have the information on where to go for assistance through the counselling conducted before testing and the awareness campaigns conducted in the Department.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	yes		The Department conducts review sessions for all programmes whereby health promotion programme is part of.

### 3.12 Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2016 and 31 March 2017**

Subject matter	Date
None	

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 and 31 March 2017**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	4	100%
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>Total</b>	<b>4</b>	<b>100%</b>

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 and 31 March 2017**

Type of misconduct	Number	% of total
Misrepresentation	5	50%
Insubordination		
Irregular S&T Claims		
Unauthorised selling of sites		
Negligence	5	50%
Reckless Driving		
<b>Total</b>	<b>10</b>	<b>100%</b>

**Table 3.12.4 Grievances logged for the period 1 April 2016 and 31 March 2017**

Grievances	Number	% of Total
Number of grievances resolved	15	100%
Number of grievances not resolved	-	-
<b>Total number of grievances lodged</b>	<b>15</b>	<b>100%</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2016 and 31 March 2017**

Disputes	Number	% of Total
Number of disputes upheld	2	67%
Number of disputes dismissed	1	33%
<b>Total number of disputes lodged</b>	<b>3</b>	<b>100%</b>

**Table 3.12.6 Strike actions for the period 1 April 2016 and 31 March 2017**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2016 and 31 March 2017**

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

### 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 2016 and 31 March 2017**

Occupational category	Gender	Number of employees as at 1 April 2016	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	0	6	5	11
	Male	11	0	6	5	11
Professionals	Female	29	0	10	4	14
	Male	33	0	10	4	14
Technicians and associate professionals	Female	91	0	10	4	14
	Male	87	0	10	4	14
Clerks	Female	289	0	5	1	6
	Male	246	0	5	1	6
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	0	0	0	0	0
Elementary occupations	Female	21	0	0	0	0
	Male	32	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>849</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>90</b>

**Table 3.13.2 Training provided for the period 1 April 2016 to 1 April 31 March 2017**

Occupational category	Gender	Number of employees as at 1 April 2016	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	0	6	4	10
	Male	11	0	6	4	10
Professionals	Female	29	0	10	3	13
	Male	33	0	10	3	13
Technicians and associate professionals	Female	91	0	10	2	12
	Male	87	0	10	2	12
Clerks	Female	289	0	12	0	12
	Male	246	0	12	0	12
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	0	0	0	0	0
Elementary occupations	Female	21	0	0	0	0
	Male	32	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
<b>Total</b>		<b>849</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>48</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2016 to 1 April 31 March 2017**

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

### 3.15 Utilisation of Consultants

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

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

**Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 to 1 April 31 March 2017**

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 2016 to 1 April 31 March 2017**

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

**Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 to 1 April 31 March 2017**

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and 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 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 to 31 March 2017**

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

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2016 to 131 March 2017**

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

# **PART E:**

# **FINANCIAL INFORMATION**



## REPORT OF THE AUDITOR GENERAL

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

#### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 86 to 125, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, 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 to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance and Traditional Affairs as at 31 March 2017, and its financial performance and cash flows for the year then ended 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, 2016 (Act No. 3 of 2016) (DoRA).
3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

#### Report on the audit of the annual performance report

##### Introduction and scope

10. 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 material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

Programmes	Pages in the annual performance report
<b>Programme 2 – local governance</b>	23 - 31
Programme 3 – development and planning	32- 40
Programme 4 – traditional institution management	40- 44

13. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify 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

#### **Other matter**

15. I draw attention to the matter below.

#### **Achievement of planned targets**

16. Refer to the annual performance report on pages 15 to 52 for information on the achievement of planned targets for the year.

#### **Report on the audit of compliance with legislation**

##### **Introduction and scope**

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

18. 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.

##### **Other information**

19. The accounting officer of the department is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.

20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

22. I have read the other information included in the draft annual report and have nothing to report in this regard.

23. I have not yet received the final annual report containing the other information. When I do receive this information, and if I conclude that it contains a material misstatement, I am required to communicate the matter to those charged with governance and to request that the other information be corrected. If the other information is not corrected, I may have to re-issue my auditor's report amended as appropriate.

##### **Internal control deficiencies**

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

##### **Other reports**

25. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

##### **Investigations**

26. An investigation is being conducted by the Special Investigating Unit into alleged irregularities within the department in respect of the water for all flagship project. The investigation was still ongoing at the reporting date.

Auditor-General

Mbombela

31 July 2017



AUDITOR-GENERAL  
SOUTH AFRICA

Auditing to build public confidence

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

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

### **Financial statements**

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

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

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

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

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

# ANNUAL FINANCIAL STATEMENTS



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(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Appropriation per programme									
	2016/17							2015/16	
	Adjusted Ap- propriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appro- priation	Final Appropri- ation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	118 952	-	4 706	123 658	122 774	884	99.3%	116 755	116 703
2. Local Governance	172 635	-	(548)	172 087	172 082	5	100.0%	151 447	151 327
3. Development and Planning	151 145	-	(4 220)	146 925	146 914	11	100.0%	48 846	48 844
4. Traditional Institutional Management	153 892	-	1 586	155 478	155 450	28	100.0%	141 615	141 577
5 The House of Traditional Leaders	19 982	-	(1 524)	18 458	18 449	9	100.0%	17 629	17 629
<b>TOTAL</b>	<b>616 606</b>	<b>-</b>	<b>-</b>	<b>616 606</b>	<b>615 669</b>	<b>937</b>	<b>99.8%</b>	<b>476 292</b>	<b>476 080</b>
Statutory Appropriation								-	-
Members Remuneration	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>616 606</b>	<b>-</b>	<b>-</b>	<b>616 606</b>	<b>615 669</b>	<b>937</b>	<b>99.8%</b>	<b>476 292</b>	<b>476 080</b>

	2016/17		2015/16	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
<b>Departmental receipts</b>	<b>2 817</b>		<b>2 073</b>	
<b>Actual amounts per statement of financial performance (total revenue)</b>	<b>619 423</b>		<b>478 365</b>	
ADD				
<b>Aid assistance</b>				
<b>Prior year unauthorised expenditure approved without funding</b>				
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>615 669</b>		<b>476 080</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2017**

Appropriation per economic classification									
	2016/17							2015/16	
	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									
<b>Current payments</b>	<b>471 732</b>	<b>(4 024)</b>	<b>(349)</b>	<b>467 359</b>	<b>466 441</b>	<b>918</b>	<b>99.8%</b>	<b>408 356</b>	<b>408 146</b>
<b>Compensation of employees</b>	<b>360 266</b>	<b>(5 067)</b>	<b>(3 816)</b>	<b>351 383</b>	<b>351 350</b>	<b>33</b>	<b>100.0%</b>	<b>341 289</b>	<b>341 176</b>
Salaries and wages	312 736	(3 429)	(1 996)	307 311	307 283	28	100.0%	299 169	299 078
Social contributions	47 530	(1 638)	(1 820)	44 072	44 067	5	100.0%	42 120	42 097
<b>Goods and services</b>	<b>111 466</b>	<b>1 043</b>	<b>3 467</b>	<b>115 976</b>	<b>115 091</b>	<b>885</b>	<b>99.2%</b>	<b>67 067</b>	<b>66 971</b>
Administrative fees	1 073	(260)	(125)	688	681	7	99.0%	522	508
Advertising	3 045	287	(100)	3 232	3 231	1	100.0%	1 198	1 198
Minor assets	132	3 270	-	3 402	3 402	-	100.0%	635	635
Audit costs: External	2 794	(11)	-	2 783	2 783	-	100.0%	2 851	2 851
Catering: Departmental activities	6 698	(248)	(63)	6 387	6 387	-	100.0%	3 770	3 766
Communication	6 857	905	(41)	7 721	7 715	6	99.9%	6 780	6 775
Computer services	1 019	(623)	(135)	261	260	1	99.6%	220	219
Consultants: Business and advisory services	1 419	383	-	1 802	1 799	3	99.8%	1 186	1 155
Infrastructure and planning services	3 884	(1 337)	(165)	2 382	2 382	-	100.0%	2 764	2 764
Legal services	3 627	1 569	1 834	7 030	6 199	831	88.2%	4 803	4 803
Contractors	2 258	(550)	(156)	1 552	1 551	1	99.9%	911	910
Fleet services	3 040	166	676	3 882	3 872	10	99.7%	3 249	3 248
Inventory: Clothing material and supplies	212	-	-	212	211	1	99.5%	237	237
Inventory: Materials and supplies	30 000	(344)	-	29 656	29 656	-	100.0%	2 382	2 382
Inventory: Other supplies	67	238	-	305	305	-	100.0%	100	103
Consumable supplies	716	1 456	-	2 172	2 170	2	99.9%	329	325
Consumable: Stationery, printing and office supplies	1 274	-	1 390	2 664	2 665	(1)	100.0%	1 605	1 605
Operating leases	9 704	435	-	10 139	10 139	-	100.0%	7 663	7 663
Property payments	3 496	-	983	4 479	4 479	-	100.0%	3 853	3 853
Transport provided: Departmental activity	-	-	-	-	-	-	-	150	-
Travel and subsistence	21 873	(2 750)	(389)	18 734	18 720	14	99.9%	15 621	15 737
Training and development	3 831	(243)	-	3 588	3 588	-	100.0%	1 661	1 660
Operating payments	1 665	(109)	-	1 556	1 551	5	99.7%	1 838	1 833
Venues and facilities	2 782	(1 191)	(242)	1 349	1 345	4	99.7%	2 726	2 728
Rental and hiring	-	-	-	-	-	-	-	13	13
<b>Transfers and subsidies</b>	<b>78 346</b>	<b>(55 849)</b>	<b>(580)</b>	<b>21 917</b>	<b>21 903</b>	<b>14</b>	<b>99.9%</b>	<b>21 660</b>	<b>21 658</b>
<b>Provinces and Municipalities</b>	<b>70</b>	<b>-</b>	<b>(4)</b>	<b>66</b>	<b>52</b>	<b>14</b>	<b>78.8%</b>	<b>24</b>	<b>23</b>
Municipalities	70	-	(4)	66	52	14	78.8%	24	23
Municipal bank accounts	70	-	(4)	66	52	14	78.8%	24	23
<b>Non-profit institutions</b>	<b>21 620</b>	<b>(470)</b>	<b>-</b>	<b>21 150</b>	<b>21 150</b>	<b>-</b>	<b>100.0%</b>	<b>19 400</b>	<b>19 400</b>
<b>Households</b>	<b>56 656</b>	<b>(55 379)</b>	<b>(576)</b>	<b>701</b>	<b>701</b>	<b>-</b>	<b>100.0%</b>	<b>2 236</b>	<b>2 235</b>
Social benefits	1 156	121	(576)	701	701	-	100.0%	2 236	2 235
Other transfers to households	55 500	(55 500)	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>66 528</b>	<b>59 640</b>	<b>929</b>	<b>127 097</b>	<b>127 092</b>	<b>5</b>	<b>100.0%</b>	<b>45 845</b>	<b>45 845</b>
Buildings and other fixed structures	34 452	53 528	526	88 506	88 501	5	100.0%	7 064	7 064
Buildings	34 452	(2 246)	2 242	34 448	34 446	2	100.0%	5 557	5 557
Other fixed structures	-	55 774	(1 716)	54 058	54 055	3	100.0%	1 507	1 507
<b>Machinery and equipment</b>	<b>31 868</b>	<b>6 320</b>	<b>403</b>	<b>38 591</b>	<b>38 591</b>	<b>-</b>	<b>100.0%</b>	<b>38 781</b>	<b>38 781</b>
Transport equipment	1 153	-	-	1 153	1 153	-	100.0%	36 019	36 019
Other machinery and equipment	30 715	6 320	403	37 438	37 438	-	100.0%	2 762	2 762
Intangible assets	208	(208)	-	-	-	-	-	-	-
Payments for financial assets	-	233	-	233	233	-	100.0%	431	431
<b>TOTAL</b>	<b>616 606</b>	<b>-</b>	<b>-</b>	<b>616 606</b>	<b>615 669</b>	<b>937</b>	<b>99.8%</b>	<b>476 292</b>	<b>476 080</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Programme 1

: ADMINISTRATION									
	2016/17							2015/16	
	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	8 443	(511)	-	7 932	7 912	20	99.7%	8 821	8 817
2. Corporate Service	110 509	511	4 706	115 726	114 862	864	99.3%	107 934	107 886
<b>Total for sub programmes</b>	<b>118 952</b>	<b>-</b>	<b>4 706</b>	<b>123 658</b>	<b>122 774</b>	<b>884</b>	<b>99.3%</b>	<b>116 755</b>	<b>116 703</b>
Economic classification									
<b>Current payments</b>	<b>115 158</b>	<b>(835)</b>	<b>4 883</b>	<b>119 206</b>	<b>118 337</b>	<b>869</b>	<b>99.3%</b>	<b>105 425</b>	<b>105 375</b>
<b>Compensation of employees</b>	<b>72 384</b>	<b>(2 058)</b>	<b>-</b>	<b>70 326</b>	<b>70 300</b>	<b>26</b>	<b>100.0%</b>	<b>65 502</b>	<b>65 467</b>
Salaries and wages	63 188	(2 199)	-	60 989	60 962	27	100.0%	56 819	56 796
Social contributions	9 196	141	-	9 337	9 338	(1)	100.0%	8 683	8 671
<b>Goods and services</b>	<b>42 774</b>	<b>1 223</b>	<b>4 883</b>	<b>48 880</b>	<b>48 037</b>	<b>843</b>	<b>98.3%</b>	<b>39 923</b>	<b>39 908</b>
Administrative fees	351	(126)	-	225	226	(1)	100.4%	200	198
Advertising	1 139	(155)	-	984	983	1	99.9%	901	901
Minor assets	132	992	-	1 124	1 124	-	100.0%	615	615
Audit costs: External	2 794	(11)	-	2 783	2 783	-	100.0%	2 851	2 851
Catering: Departmental activities	1 225	(31)	-	1 194	1 194	-	100.0%	1 436	1 436
Communication	5 665	903	-	6 568	6 568	-	100.0%	5 644	5 643
Computer services	165	(63)	-	102	102	-	100.0%	95	95
Consultants: Business and advisory services	198	(95)	-	103	103	-	100.0%	116	115
Legal services	3 627	-	1 834	5 461	4 632	829	84.8%	4 303	4 303
Contractors	1 248	(471)	-	777	777	-	100.0%	324	323
Fleet services	3 040	166	676	3 882	3 872	10	99.7%	3 249	3 248
Inventory: Other supplies	-	-	-	-	-	-	-	-	2
Consumable supplies	716	134	-	850	849	1	99.9%	317	314
Consumable: Stationery, printing and office supplies	1 274	-	1 390	2 664	2 665	(1)	100.0%	1 605	1 605
Operating leases	9 704	435	-	10 139	10 139	-	100.0%	7 663	7 663
Property payments	3 496	-	983	4 479	4 479	-	100.0%	3 853	3 853
Travel and subsistence	4 674	(69)	-	4 605	4 601	4	99.9%	3 608	3 601
Training and development	1 831	(232)	-	1 599	1 599	-	100.0%	1 290	1 290
Operating payments	908	(82)	-	826	826	-	100.0%	695	695
Venues and facilities	587	(72)	-	515	515	-	100.0%	1 145	1 144
Rental and hiring	-	-	-	-	-	-	-	13	13
<b>Transfers and subsidies</b>	<b>1 226</b>	<b>121</b>	<b>(580)</b>	<b>767</b>	<b>753</b>	<b>14</b>	<b>98.2%</b>	<b>2 260</b>	<b>2 258</b>
<b>Provinces and Municipalities</b>	<b>70</b>	<b>-</b>	<b>(4)</b>	<b>66</b>	<b>52</b>	<b>14</b>	<b>78.8%</b>	<b>24</b>	<b>23</b>
Provinces									
Provincial agencies and funds	70	-	(4)	66	52	14	78.8%	24	23
Municipalities	70	-	(4)	66	52	14	78.8%	24	23
<b>Non-profit institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Households</b>	<b>1 156</b>	<b>121</b>	<b>(576)</b>	<b>701</b>	<b>701</b>	<b>-</b>	<b>100.0%</b>	<b>2 236</b>	<b>2 235</b>
Social benefits	1 156	121	(576)	701	701	-	100.0%	2 236	2 235
<b>Payments for capital assets</b>	<b>2 568</b>	<b>481</b>	<b>403</b>	<b>3 452</b>	<b>3 451</b>	<b>1</b>	<b>100.0%</b>	<b>8 639</b>	<b>8 639</b>
Buildings and other fixed structures	-	274	-	274	273	1	99.6%	405	405
Other fixed structures	-	274	-	274	273	1	99.6%	405	405
<b>Machinery and equipment</b>	<b>2 568</b>	<b>207</b>	<b>403</b>	<b>3 178</b>	<b>3 178</b>	<b>-</b>	<b>100.0%</b>	<b>8 243</b>	<b>8 234</b>
Transport equipment	1 153	-	-	1 153	1 153	-	100.0%	2 762	2 762
Other Machinery and Equipment	1 415	207	403	2 025	2 025	-	100.0%	5 472	5 472
Payments for financial assets	-	233	-	233	233	-	100.0%	431	431
<b>TOTAL</b>	<b>118 952</b>	<b>-</b>	<b>4 706</b>	<b>123 658</b>	<b>122 774</b>	<b>884</b>	<b>99.3%</b>	<b>116 755</b>	<b>116 703</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

1.1 OFFICE OF THE MEC									
2016/17								2015/16	
	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	8 443	(511)	-	7 932	7 912	20	99.7%	8 821	8 817
Compensation of employees	5 913	(161)	-	5 752	5 732	20	99.7%	5 559	5 555
Goods and services	2 530	(350)	-	2 180	2 180	-	100.0%	3 262	3 262
<b>TOTAL</b>	<b>8 443</b>	<b>(511)</b>	<b>-</b>	<b>7 932</b>	<b>7 912</b>	<b>20</b>	<b>99.7%</b>	<b>8 821</b>	<b>8 817</b>

1.2 CORPORATE SERVICES									
2016/17								2015/16	
	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	106 715	(324)	4 883	111 274	110 425	849	99.2%	96 604	96 558
Compensation of employees	66 471	(1 897)	-	64 574	64 568	6	100.0%	59 943	59 912
Goods and services	40 244	1 573	4 883	46 700	45 857	843	98.2%	36 661	36 646
Transfers and subsidies	1 226	121	(580)	767	753	14	98.2%	2 260	2 258
Provinces and Municipalities	70	-	(4)	66	52	14	78.8%	24	23
Households	1 156	121	(576)	701	701	-	100.0%	2 236	2 235
Payments for capital assets	2 568	481	403	3 452	3 451	1	100.0%	8 639	8 639
Buildings and other fixed structures	-	274	-	274	273	1	99.6%	405	405
Other Machinery and equipment	1 415	207	403	2 025	2 025	-	100.0%	5 472	5 472
Transport equipment	1 153	-	-	1 153	1 153	-	100.0%	2 762	2 762
Payments for financial assets	-	233	-	233	233	-	100.0%	431	431
<b>TOTAL</b>	<b>110 509</b>	<b>511</b>	<b>4 706</b>	<b>115 726</b>	<b>114 862</b>	<b>864</b>	<b>99.3%</b>	<b>107 934</b>	<b>107 886</b>

PROGRAMME 2

Programme 2: LOCAL GOVERNANCE									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Office Support	2 378	(22)	-	2 356	2 354	2	99.9%	2 232	2 228
2. Municipal Administration	7 089	949	-	8 038	8 037	1	100.0%	7 747	7 709
3. Public Participation	147 180	225	-	147 405	147 408	(3)	100.0%	133 377	133 315
4. Capacity Development	7 533	(706)	-	6 827	6 825	2	100.0%	3 555	3 546
5. Municipal Performance Monitoring and Evaluation	8 455	(446)	(548)	7 461	7 458	3	100.0%	4 536	4 529
<b>Total for sub programmes</b>	<b>172 635</b>	<b>-</b>	<b>(548)</b>	<b>172 087</b>	<b>172 082</b>	<b>5</b>	<b>100.0%</b>	<b>151 447</b>	<b>151 327</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2017

Economic classification									
<b>Current payments</b>	<b>172 635</b>	-	(548)	<b>172 087</b>	<b>172 082</b>	<b>5</b>	<b>100%</b>	<b>151 447</b>	<b>151 327</b>
<b>Compensation of employees</b>	<b>154 721</b>	(851)	-	<b>153 870</b>	<b>153 866</b>	<b>4</b>	<b>100%</b>	<b>146 919</b>	<b>146 872</b>
Salaries and wages	132 589	(4 425)	-	128 164	128 162	2	100%	122 487	122 447
Social contributions	22 132	3 574	-	25 706	25 704	2	100%	24 432	24 425
<b>Goods and services</b>	<b>17 914</b>	<b>851</b>	<b>(548)</b>	<b>18 217</b>	<b>18 216</b>	<b>1</b>	<b>100%</b>	<b>4 528</b>	<b>4 455</b>
Administrative fees	176	(82)	-	94	92	2	97.9%	62	56
Advertising	1 721	476	-	2 197	2 197	-	100%	-	-
Minor assets	-	2 278	-	2 278	2 278	-	100%	-	-
Catering: Departmental activities	4 099	330	(31)	4 398	4 405	(7)	100.2%	171	167
Communication	403	(7)	-	396	396	-	100%	387	383
Consultants: Business and advisory services	400	301	-	701	700	1	99.9%	29	-
Contractors	590	-	-	590	590	-	100%	-	-
Legal services	-	-	-	-	-	-	-	500	500
Consumable supplies	-	1 253	-	1 253	1 253	-	100%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	150	-
Travel and subsistence	7 129	(3 189)	(275)	3 665	3 663	2	99.9%	2 467	2 588
Training and development	2 000	(11)	-	1 989	1 989	-	100%	371	370
Operating payments	199	-	-	199	198	1	99.5%	337	338
Venues and facilities	1 197	(498)	(242)	457	455	2	99.6%	54	53
<b>Total</b>	<b>172 635</b>	<b>-</b>	<b>(548)</b>	<b>172 087</b>	<b>172 082</b>	<b>5</b>	<b>100%</b>	<b>151 447</b>	<b>151 327</b>

2.1 OFFICE SUPPORT

2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 378</b>	<b>(22)</b>	<b>-</b>	<b>2 356</b>	<b>2 354</b>	<b>2</b>	<b>99.9%</b>	<b>2 232</b>	<b>2 228</b>
Compensation of employees	1 696	(287)	-	1 409	1 408	1	99.9%	1 921	1 920
Goods and services	682	265	-	947	946	1	99.9%	311	308
Payments for financial assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 378</b>	<b>(22)</b>	<b>-</b>	<b>2 356</b>	<b>2 354</b>	<b>2</b>	<b>99.9%</b>	<b>2 232</b>	<b>2 228</b>

2.2 MUNICIPAL ADMINISTRATION

2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 089</b>	<b>949</b>	<b>-</b>	<b>8 038</b>	<b>8 037</b>	<b>1</b>	<b>100.0%</b>	<b>7 747</b>	<b>7 709</b>
Compensation of employees	6 285	757	-	7 042	7 042	-	100.0%	6 530	6 528
Goods and services	804	192	-	996	995	1	99.9%	1 217	1 181
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7 089</b>	<b>949</b>	<b>-</b>	<b>8 038</b>	<b>8 037</b>	<b>1</b>	<b>100.0%</b>	<b>7 747</b>	<b>7 709</b>

2.3 PUBLIC PARTICIPATION

2016/17								2015/16	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>147 180</b>	<b>225</b>	<b>-</b>	<b>147 405</b>	<b>147 408</b>	<b>(3)</b>	<b>100.0%</b>	<b>133 377</b>	<b>133 315</b>
Compensation of employees	140 199	(448)	-	139 751	139 750	1	100.0%	131 539	131 499
Goods and services	6 981	673	-	7 654	7 658	(4)	100.1%	1 838	1 816
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>147 180</b>	<b>225</b>	<b>-</b>	<b>147 405</b>	<b>147 408</b>	<b>(3)</b>	<b>100.0%</b>	<b>133 377</b>	<b>133 315</b>

2.4 CAPACITY DEVELOPMENT

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2017

	2016/17							2015/16	
	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>7 533</b>	<b>(706)</b>	<b>-</b>	<b>6 827</b>	<b>6 825</b>	<b>2</b>	<b>100.0%</b>	<b>3 555</b>	<b>3 546</b>
Compensation of employees	2 886	(516)	-	2 370	2 369	1	100.0%	2 874	2 872
Goods and services	4 647	(190)	-	4 457	4 456	1	100.0%	681	674
<b>Total</b>	<b>7 533</b>	<b>(706)</b>	<b>-</b>	<b>6 827</b>	<b>6 825</b>	<b>2</b>	<b>100.0%</b>	<b>3 555</b>	<b>3 546</b>

2.5 MUNICIPAL PERFORMANCE MONITORING AND EVALUATION									
	2016/17							2015/16	
	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	8 455	(446)	(548)	7 461	7 458	3	100.0%	4 536	4 529
Compensation of employees	3 655	(357)	-	3 298	3 297	1	100.0%	4 055	4 053
Goods and services	4 800	(89)	(548)	4 163	4 161	2	100.0%	481	476
<b>Total</b>	<b>8 455</b>	<b>(446)</b>	<b>(548)</b>	<b>7 461</b>	<b>7 458</b>	<b>3</b>	<b>100.0%</b>	<b>4 536</b>	<b>4 529</b>

PROGRAMME 3

Programme 3: DEVELOPMENT AND PLANNING									
	2016/17							2015/16	
	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	1 522	2	(45)	1 479	1 477	2	99.9%	1 372	1 371
2 Spatial Planning	5 883	(156)	(704)	5 023	5 019	4	99.9%	4 318	4 318
3 Land Use Management	17 018	(827)	(1 051)	15 140	15 133	7	100.0%	16 614	16 614
4 Integrated Development and Plan (IDP)	2 992	(1)	(92)	2 899	2 895	4	99.9%	2 832	2 832
5 Local Economic Development and Plan (LED)	7 863	5	(253)	7 615	7 630	(15)	100.2%	7 337	7 338
6 Municipal Infrastructure	77 160	3 204	(1 929)	78 435	78 431	4	100.0%	7 919	7 917
7 Disaster Management	38 707	(2 227)	(146)	36 334	36 329	5	100.0%	8 454	8 454
<b>Total for sub programmes</b>	<b>151 145</b>	<b>-</b>	<b>(4 220)</b>	<b>146 925</b>	<b>146 914</b>	<b>11</b>	<b>100.0%</b>	<b>48 846</b>	<b>48 844</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification									
<b>Current payments</b>	<b>78 137</b>	<b>(1 202)</b>	<b>(2 504)</b>	<b>74 431</b>	<b>74 423</b>	<b>8</b>	<b>100.0%</b>	<b>47 339</b>	<b>47 337</b>
Compensation of employees	38 473	(130)	(2 082)	36 261	36 276	(15)	100.0%	36 093	36 094
Salaries and wages	32 726	473	(1 056)	32 143	32 159	(16)	100.0%	31 912	31 922
Social contributions	5 747	(603)	(1 026)	4 118	4 117	1	100.0%	4 181	4 172
<b>Goods and services</b>	<b>39 664</b>	<b>(1 072)</b>	<b>(422)</b>	<b>38 170</b>	<b>38 147</b>	<b>23</b>	<b>99.9%</b>	<b>11 246</b>	<b>11 243</b>
Administrative fees	120	(31)	(18)	71	68	3	95.8%	74	72
Advertising	85	(34)	-	51	51	-	100.0%	86	86
Minor assets	-	-	-	-	-	-	-	20	20
Catering: Departmental activities	407	(3)	(32)	372	367	5	98.7%	910	912
Communication	412	(32)	(41)	339	336	3	99.1%	309	309
Computer services	854	(560)	(135)	159	158	1	99.4%	125	124
Consultants: Business and advisory services	26	127	-	153	151	2	98.7%	164	163
Infrastructure and planning services	3 884	(1 337)	(165)	2 382	2 382	-	100.0%	2 764	2 764
Legal Services	-	756	-	756	755	1	99.9%	-	-
Contractors	-	-	-	-	-	-	-	1	2
Inventory: Clothing material and supplies	212	-	-	212	211	1	99.5%	237	237
Inventory: Materials and supplies	30 000	(344)	-	29 656	29 656	-	100.0%	2 382	2 382
Inventory: Other supplies	67	238	-	305	305	-	100.0%	100	101
Consumable supplies	-	69	-	69	68	1	98.6%	12	11
Travel and subsistence	3 230	157	(31)	3 356	3 351	5	99.9%	2 958	2 957
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	225	-	-	225	224	1	99.6%	348	347
Venues and facilities	142	(78)	-	64	64	-	100.0%	756	756
<b>Transfers and subsidies</b>	<b>55 500</b>	<b>(55 500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provinces and Municipalities</b>	<b>55 500</b>	<b>(55 500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Households</b>	<b>55 500</b>	<b>(55 500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>17 508</b>	<b>56 702</b>	<b>(1 716)</b>	<b>72 494</b>	<b>72 491</b>	<b>3</b>	<b>100.0%</b>	<b>1 507</b>	<b>1 507</b>
<b>Buildings and other fixed structures</b>	<b>17 000</b>	<b>57 210</b>	<b>(1 716)</b>	<b>72 494</b>	<b>72 491</b>	<b>3</b>	<b>100.0%</b>	<b>1 507</b>	<b>1 507</b>
Buildings	17 000	1 710	-	18 710	18 709	1	100.0%	-	-
Other fixed structures	-	55 500	(1 716)	53 784	53 782	2	100.0%	1 507	1 507
<b>Machinery and equipment</b>	<b>300</b>	<b>(300)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Machinery and Equipment	300	(300)	-	-	-	-	-	-	-
Software and other Intangible assets	208	(208)	-	-	-	-	-	-	-
<b>Total</b>	<b>151 145</b>	<b>-</b>	<b>(4 220)</b>	<b>146 925</b>	<b>146 914</b>	<b>11</b>	<b>100.0%</b>	<b>48 846</b>	<b>48 844</b>

3.1 OFFICE SUPPORT

	2016/17							2015/16	
	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	1 522	2	(45)	1 479	1 477	2	99.9%	1 372	1 371
Compensation of employees	1 296	(16)	(9)	1 271	1 270	1	99.9%	1 201	1 200
Goods and services	226	18	(36)	208	207	1	99.5%	171	171
<b>Total</b>	<b>1 522</b>	<b>2</b>	<b>(45)</b>	<b>1 479</b>	<b>1 477</b>	<b>2</b>	<b>99.9%</b>	<b>1 372</b>	<b>1 371</b>

3.2 SPATIAL PLANNING

	2016/17							2015/16	
	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	5 725	2	(704)	5 023	5 019	4	99.9%	4 318	4 318
Compensation of employees	4 251	-	(673)	3 578	3 577	1	100.0%	3 699	3 700
Goods and services	1 474	2	(31)	1 445	1 442	3	99.8%	619	618
Payments for Capital assets	158	(158)	-	-	-	-	-	-	-
<b>Total</b>	<b>5 883</b>	<b>(156)</b>	<b>(704)</b>	<b>5 023</b>	<b>5 019</b>	<b>4</b>	<b>99.9%</b>	<b>4 318</b>	<b>4 318</b>

**(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)****VOTE 04****APPROPRIATION STATEMENT****for the year ended 31 March 2017**

3.3 LAND USE MANAGEMENT									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>16 668</b>	<b>(477)</b>	<b>(1 051)</b>	<b>15 140</b>	<b>15 133</b>	<b>7</b>	<b>100.0%</b>	<b>16 614</b>	<b>16 614</b>
Compensation of employees	12 416	-	(842)	11 574	11 573	1	100.0%	11 545	11 549
Goods and services	4 252	(477)	(209)	3 566	3 560	6	99.8%	5 069	5 065
Payments for capital assets	300	(300)	-	-	-	-	-	-	-
Intangible assets	50	(50)	-	-	-	-	-	-	-
<b>Total</b>	<b>17 018</b>	<b>(827)</b>	<b>(1 051)</b>	<b>15 140</b>	<b>15 133</b>	<b>7</b>	<b>100.0%</b>	<b>16 614</b>	<b>16 614</b>

3.4 INTERGRATED DEVELOPMENT AND PLANNING									
	2016/17							2015/16	
	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	2 992	(1)	(92)	2 899	2 895	4	99.9%	2 832	2 832
Compensation of employees	2 451	-	(92)	2 359	2 358	1	100.0%	2 308	2 307
Goods and services	541	(1)	-	540	537	3	99.4%	524	525
<b>Total</b>	<b>2 992</b>	<b>(1)</b>	<b>(92)</b>	<b>2 899</b>	<b>2 895</b>	<b>4</b>	<b>99.9%</b>	<b>2 832</b>	<b>2 832</b>

3.5 LOCAL ECONOMIC DEVELOPMENT (LED)									
	2016/17							2015/16	
	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	7 863	5	(253)	7 615	7 630	(15)	100.2%	7 337	7 338
Compensation of employees	7 039	(96)	(253)	6 690	6 710	(20)	100.3%	6 478	6 477
Goods and services	824	101	-	925	920	5	99.5%	859	861
<b>Total</b>	<b>7 863</b>	<b>5</b>	<b>(253)</b>	<b>7 615</b>	<b>7 630</b>	<b>(15)</b>	<b>100.2%</b>	<b>7 337</b>	<b>7 338</b>

3.6 MUNICIPAL INFRASTRUCTURE									
	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>6 160</b>	<b>(6)</b>	<b>(213)</b>	<b>5 941</b>	<b>5 940</b>	<b>1</b>	<b>100.0%</b>	<b>6 428</b>	<b>6 426</b>
Compensation of employees	5 438	(92)	(213)	5 133	5 133	-	100.0%	5 489	5 489
Goods and services	722	86	-	808	807	1	99.9%	939	937
<b>Transfers and subsidies</b>	<b>54 000</b>	<b>(54 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Transfers to households	54 000	(54 000)	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>17 000</b>	<b>57 210</b>	<b>(1 716)</b>	<b>72 494</b>	<b>72 491</b>	<b>3</b>	<b>100.0%</b>	<b>1 491</b>	<b>1 491</b>
Buildings	17 000	1 710	-	18 710	18 709	1	100.0%	-	-
Other fixed structures	-	55 500	(1 716)	53 784	53 782	2	100.0%	1 491	1 491
<b>Total</b>	<b>77 160</b>	<b>3 204</b>	<b>(1 929)</b>	<b>78 435</b>	<b>78 431</b>	<b>4</b>	<b>100.0%</b>	<b>7 919</b>	<b>7 917</b>

3.7 DISASTER MANAGEMENT									
	2016/17							2015/16	
	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	37 207	(727)	(146)	36 334	36 329	5	100.0%	8 438	8 438
Compensation of employees	5 582	74	-	5 656	5 655	1	100.0%	5 373	5 372
Goods and services	31 625	(801)	(146)	30 678	30 674	4	100.0%	3 065	3 066
Payments for capital assets	-	-	-	-	-	-	-	16	16
Buildings & fixed Structure	-	-	-	-	-	-	-	16	16
Households	1 500	(1 500)	-	-	-	-	-	-	-
<b>Total</b>	<b>38 707</b>	<b>(2 227)</b>	<b>(146)</b>	<b>36 334</b>	<b>36 329</b>	<b>5</b>	<b>100.0%</b>	<b>8 454</b>	<b>8 454</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

PROGRAMME 4

Programme 4 TRADITIONAL INSTITUTIONAL MANAGEMENT									
2016/17								2015/16	
	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	1 675	26	-	1 701	1 699	2	99.9%	1 605	1 602
2. Traditional institution administration	17 242	(404)	-	16 838	16 834	4	100.0%	17 773	17 773
3. Traditional resource administration	110 563	4 459	(656)	114 366	114 350	16	100.0%	111 900	111 869
4. Rural development facilitation	21 788	(3 953)	2 242	20 077	20 075	2	100.0%	8 108	8 105
5. Traditional land administration	2 624	(128)	-	2 496	2 492	4	99.8%	2 229	2 228
<b>Total for sub programmes</b>	<b>153 892</b>	<b>-</b>	<b>1 586</b>	<b>155 478</b>	<b>155 450</b>	<b>28</b>	<b>100.0%</b>	<b>141 615</b>	<b>141 577</b>
Economic classification									
<b>Current payments</b>	<b>85 820</b>	<b>(1 987)</b>	<b>(656)</b>	<b>83 177</b>	<b>83 150</b>	<b>27</b>	<b>100.0%</b>	<b>86 516</b>	<b>86 478</b>
<b>Compensation of employees</b>	<b>81 811</b>	<b>(1 850)</b>	<b>(656)</b>	<b>79 305</b>	<b>79 289</b>	<b>16</b>	<b>100.0%</b>	<b>81 267</b>	<b>81 234</b>
Salaries and wages	73 012	2 857	-	75 869	75 856	13	100.0%	77 904	77 865
Social contributions	8 799	(4 707)	(656)	3 436	3 433	3	99.9%	3 363	3 369
<b>Goods and services</b>	<b>4 009</b>	<b>(137)</b>	<b>-</b>	<b>3 872</b>	<b>3 861</b>	<b>11</b>	<b>99.7%</b>	<b>5 249</b>	<b>5 244</b>
Administrative fees	126	(2)	-	124	121	3	97.6%	89	87
Advertising	-	-	-	-	-	-	-	18	18
Catering: Departmental activities	180	(102)	-	78	77	1	98.7%	746	743
Communication	201	5	-	206	204	2	99.0%	250	251
Contractors	-	-	-	-	-	-	-	266	266
Travel and subsistence	3 116	39	-	3 155	3 153	2	99.9%	2 951	2 948
Operating payments	234	(27)	-	207	205	2	99.0%	339	336
Venues and facilities	152	(50)	-	102	101	1	99.0%	590	595
Transfers and subsidies	21 620	(470)	-	21 150	21 150	-	100.0%	19 400	19 400
<b>Non-profit institutions</b>	<b>21 620</b>	<b>(470)</b>	<b>-</b>	<b>21 150</b>	<b>21 150</b>	<b>-</b>	<b>100.0%</b>	<b>19 400</b>	<b>19 400</b>
<b>Payments for capital assets</b>	<b>46 452</b>	<b>2 457</b>	<b>2 242</b>	<b>51 151</b>	<b>51 150</b>	<b>1</b>	<b>100.0%</b>	<b>35 699</b>	<b>35 699</b>
Buildings and other fixed structures	17 452	(3 956)	2 242	15 738	15 737	1	100.0%	5 152	5 152
Machinery and equipment	29 000	6 413	-	35 413	35 413	-	100.0%	30 547	30 547
<b>Total</b>	<b>153 892</b>	<b>-</b>	<b>1 586</b>	<b>155 478</b>	<b>155 450</b>	<b>28</b>	<b>100.0%</b>	<b>141 615</b>	<b>141 577</b>

4.1 OFFICE SUPPORT									
2016/17								2015/16	
	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									
<b>Current payments</b>	<b>1 675</b>	<b>26</b>	<b>-</b>	<b>1 701</b>	<b>1 699</b>	<b>2</b>	<b>99.9%</b>	<b>1 605</b>	<b>1 602</b>
Compensation of employees	1 390	56	-	1 446	1 446	-	100.0%	1 355	1 355
Goods and services	285	(30)	-	255	253	2	99.2%	250	247
<b>TOTAL</b>	<b>1 675</b>	<b>26</b>	<b>-</b>	<b>1 701</b>	<b>1 699</b>	<b>2</b>	<b>99.9%</b>	<b>1 605</b>	<b>1 602</b>

4.2 TRADITIONAL INSTITUTIONAL ADMINISTRATION									
2016/17								2015/16	
	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									
<b>Current payments</b>	<b>17 242</b>	<b>(404)</b>	<b>-</b>	<b>16 838</b>	<b>16 834</b>	<b>4</b>	<b>100.0%</b>	<b>17 773</b>	<b>17 773</b>
Compensation of employees	15 166	(421)	-	14 745	14 745	-	100.0%	14 755	14 754
Goods and services	2 076	17	-	2 093	2 089	4	99.8%	3 018	3 019
<b>TOTAL</b>	<b>17 242</b>	<b>(404)</b>	<b>-</b>	<b>16 838</b>	<b>16 834</b>	<b>4</b>	<b>100.0%</b>	<b>17 773</b>	<b>17 773</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT  
for the year ended 31 March 2017

4.3 TRADITIONAL RESOURCE ADMINISTRATION									
Economic classification	2016/17							2015/16	
	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>59 943</b>	<b>(1 484)</b>	<b>(656)</b>	<b>57 803</b>	<b>57 787</b>	<b>16</b>	<b>100.0%</b>	<b>56 801</b>	<b>56 770</b>
Compensation of employees	59 502	(1 293)	(656)	57 553	57 539	14	100.0%	56 159	56 129
Goods and services	441	(191)	-	250	248	2	99.2%	642	641
<b>Transfers and subsidies</b>	<b>21 620</b>	<b>(470)</b>	<b>-</b>	<b>21 150</b>	<b>21 150</b>	<b>-</b>	<b>100.0%</b>	<b>19 400</b>	<b>19 400</b>
Non-profit institutions	21 620	(470)	-	21 150	21 150	-	100.0%	19 400	19 400
<b>Payments for capital assets</b>	<b>29 000</b>	<b>6 413</b>	<b>-</b>	<b>35 413</b>	<b>35 413</b>	<b>-</b>	<b>100.0%</b>	<b>35 699</b>	<b>35 699</b>
Buildings & fixed structures	-	-	-	-	-	-	-	5 152	5 152
Machinery and equipment	29 000	6 413	-	35 413	35 413	-	100.0%	30 547	30 547
<b>TOTAL</b>	<b>110 563</b>	<b>4 459</b>	<b>(656)</b>	<b>114 366</b>	<b>114 350</b>	<b>16</b>	<b>100.0%</b>	<b>111 900</b>	<b>111 869</b>

4.4 RURAL DEVELOPMENT FACILITATION									
Economic classification	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>4 336</b>	<b>3</b>	<b>-</b>	<b>4 339</b>	<b>4 338</b>	<b>1</b>	<b>100.0%</b>	<b>8 108</b>	<b>8 105</b>
Compensation of employees	3 468	(41)	-	3 427	3 427	-	100.0%	7 034	7 032
Goods and services	868	44	-	912	911	1	99.9%	1 074	1 073
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>17 452</b>	<b>(3 956)</b>	<b>2 242</b>	<b>15 738</b>	<b>15 737</b>	<b>1</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>21 788</b>	<b>(3 953)</b>	<b>2 242</b>	<b>20 077</b>	<b>20 075</b>	<b>2</b>	<b>100.0%</b>	<b>8 108</b>	<b>8 105</b>

4.5 TRADITIONAL LAND ADMINISTRATION									
Economic classification	2016/17							2015/16	
	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>2 624</b>	<b>(128)</b>	<b>-</b>	<b>2 496</b>	<b>2 492</b>	<b>4</b>	<b>99.8%</b>	<b>2 229</b>	<b>2 228</b>
Compensation of employees	2 285	(151)	-	2 134	2 132	2	99.9%	1 964	1 964
Goods and services	339	23	-	362	360	2	99.4%	265	264
<b>TOTAL</b>	<b>2 624</b>	<b>(128)</b>	<b>-</b>	<b>2 496</b>	<b>2 492</b>	<b>4</b>	<b>99.8%</b>	<b>2 229</b>	<b>2 228</b>

PROGRAMME 5

THE HOUSE OF TRADITIONAL LEADERS									
Sub programme	2016/17							2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1 Admin House of Traditional House</b>	<b>9 413</b>	<b>(418)</b>	<b>(1 524)</b>	<b>7 471</b>	<b>7 467</b>	<b>4</b>	<b>99.9%</b>	<b>6 419</b>	<b>6 415</b>
<b>2 Committees and Local Houses</b>	<b>10 569</b>	<b>418</b>	<b>-</b>	<b>10 987</b>	<b>10 982</b>	<b>5</b>	<b>100.0%</b>	<b>11 210</b>	<b>11 214</b>
<b>Total for sub programmes</b>	<b>19 982</b>	<b>-</b>	<b>(1 524)</b>	<b>18 458</b>	<b>18 449</b>	<b>9</b>	<b>100.0%</b>	<b>17 629</b>	<b>17 629</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>19 982</b>	<b>-</b>	<b>(1 524)</b>	<b>18 458</b>	<b>18 449</b>	<b>9</b>	<b>100.0%</b>	<b>17 629</b>	<b>17 629</b>
<b>Compensation of employees</b>	<b>12 877</b>	<b>(178)</b>	<b>(1 078)</b>	<b>11 621</b>	<b>11 619</b>	<b>2</b>	<b>100.0%</b>	<b>11 508</b>	<b>11 508</b>
Salaries and wages	11 221	(135)	(940)	10 146	10 144	2	100.0%	10 047	10 048
Social contributions	1 656	(43)	(138)	1 475	1 475	-	100.0%	1 461	1 460
<b>Goods and services</b>	<b>7 105</b>	<b>178</b>	<b>(446)</b>	<b>6 837</b>	<b>6 830</b>	<b>7</b>	<b>99.9%</b>	<b>6 121</b>	<b>6 121</b>
Administrative fees	300	(19)	(107)	174	174	-	100.0%	97	95
Advertising	100	-	(100)	-	-	-	-	193	193
Communication	176	36	-	212	211	1	99.5%	190	189
Consultants: Business Advisory	795	50	-	845	845	-	100%	877	877
Legal services	-	813	-	813	812	1	99.9%	-	-
Catering: Departmental activities	787	(442)	-	345	344	1	99.7%	507	508
Contractors	420	(79)	(156)	185	184	1	99.5%	320	319
Travel and subsistence	3 724	312	(83)	3 953	3 952	1	100.0%	3 637	3 643
Operating payments	99	-	-	99	98	1	99.0%	119	117
Venues and facilities	704	(493)	-	211	210	1	99.5%	181	180
<b>Total</b>	<b>19 982</b>	<b>-</b>	<b>(1 524)</b>	<b>18 458</b>	<b>18 449</b>	<b>9</b>	<b>100.0%</b>	<b>17 629</b>	<b>17 629</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2017

5.1 ADMIN HOUSE OF TRADITIONAL LEADERS									
2016/17								2015/16	
	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>9 413</b>	<b>(418)</b>	<b>(1 524)</b>	<b>7 471</b>	<b>7 467</b>	<b>4</b>	<b>99.9%</b>	<b>6 419</b>	<b>6 415</b>
Compensation of employees	5 449	-	(1 078)	4 371	4 370	1	100.0%	4 895	4 889
Goods and services	3 964	(418)	(446)	3 100	3 097	3	99.9%	1 524	1 526
<b>TOTAL</b>	<b>9 413</b>	<b>(418)</b>	<b>(1 524)</b>	<b>7 471</b>	<b>7 467</b>	<b>4</b>	<b>99.9%</b>	<b>6 419</b>	<b>6 415</b>

5.2 COMMITTEES AND LOCAL HOUSES									
2016/17								2015/16	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>10 569</b>	<b>418</b>	<b>-</b>	<b>10 987</b>	<b>10 982</b>	<b>5</b>	<b>100.0%</b>	<b>11 210</b>	<b>11 214</b>
Compensation of employees	7 428	(178)	-	7 250	7 249	1	100.0%	6 613	6 619
Goods and services	3 141	596	-	3 737	3 733	4	99.9%	4 597	4 595
<b>TOTAL</b>	<b>10 569</b>	<b>418</b>	<b>-</b>	<b>10 987</b>	<b>10 982</b>	<b>5</b>	<b>100.0%</b>	<b>11 210</b>	<b>11 214</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2017

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-C) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation
1. ADMINISTRATION	123 658	122 774	884	1%
Immaterial variance of R 0.884 million ,savings will be surrendered to the Provincial Revenue Fund				
2. LOCAL GOVERNANCE	172 087	172 082	5	0%
Immaterial variance of R 0.005 million ,savings will be surrendered to the Provincial Revenue Fund				
3. DEVELOPMENT & PLANNING	146 925	146 914	11	0%
Immaterial variance of R 0.011 million ,savings will be surrendered to the Provincial Revenue Fund				
4. TRADITIONAL INSTITUTIONAL MANAGEMENT	155 478	155 450	28	0%
Immaterial variance of R 0.028 million ,savings will be surrendered to the Provincial Revenue Fund				
5. HOUSE OF TRADITIONAL	18 458	18 449	9	0%
Immaterial variance of R 0.009 million ,savings will be surrendered to the Provincial Revenue Fund				
<b>TOTAL</b>	<b>616 606</b>	<b>615 669</b>	<b>937</b>	<b>0%</b>

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
<b>Current payments</b>	<b>467 359</b>	<b>466 441</b>	<b>918</b>	<b>-</b>
Compensation of employees	351 383	351 350	33	0%
Goods and services	115 976	115 091	885	1%
<b>Transfers and subsidies</b>	<b>21 917</b>	<b>21 903</b>	<b>14</b>	<b>-</b>
Provinces and Municipalities	66	52	14	21%
Non-profit institutions	21 150	21 150	-	0%
Households	701	701	-	0%
<b>Payments for capital assets</b>	<b>127 097</b>	<b>127 092</b>	<b>5</b>	<b>-</b>
Buildings and other fixed structures	88 506	88 501	5	0%
Machinery and equipment	38 591	38 591	-	0%
<b>Payments for financial assets</b>	<b>233</b>	<b>233</b>	<b>-</b>	<b>0%</b>
<b>TOTAL</b>	<b>616 606</b>	<b>615 669</b>	<b>937</b>	<b>0%</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>REVENUE</b>			
Annual appropriation	<a href="#">1</a>	616 606	476 292
Departmental revenue	<a href="#">2</a>	2 817	2 073
<b>TOTAL REVENUE</b>		<b>619 423</b>	<b>478 365</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<a href="#">3</a>	351 350	341 175
Goods and services	<a href="#">4</a>	115 091	66 971
<b>Total current expenditure</b>		<b>466 441</b>	<b>408 146</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<a href="#">6</a>	21 903	21 659
<b>Total transfers and subsidies</b>		<b>21 903</b>	<b>21 659</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<a href="#">7</a>	127 092	45 844
<b>Total expenditure for capital assets</b>		<b>127 092</b>	<b>45 844</b>
<b>Payments for financial assets</b>	<a href="#">5</a>	<b>233</b>	<b>431</b>
<b>TOTAL EXPENDITURE</b>		<b>615 669</b>	<b>476 080</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3 754</b>	<b>2 285</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		<b>937</b>	<b>212</b>
Annual appropriation		<b>937</b>	<b>212</b>
Conditional grants		-	-
Departmental revenue and NRF Receipts	<a href="#">12</a>	2 817	2 073
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>3 754</b>	<b>2 285</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>ASSETS</b>			
<b>Current assets</b>		<b>25 310</b>	<b>23 906</b>
Unauthorised expenditure	<a href="#">8</a>	22 011	22 011
Cash and cash equivalents	<a href="#">9</a>	2 334	1 788
Prepayments and advances		-	-
Receivables	<a href="#">10</a>	965	107
<b>Non-current assets</b>		<b>2</b>	<b>150</b>
Receivables	<a href="#">10</a>	2	150
<b>TOTAL ASSETS</b>		<b>25 312</b>	<b>24 056</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>25 283</b>	<b>24 056</b>
Voted funds to be surrendered to the Revenue Fund	<a href="#">11</a>	23 802	23 077
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<a href="#">12</a>	1 286	385
Payables	<a href="#">13</a>	195	594
<b>Non-current liabilities</b>			
<b>Payables</b>			
<b>TOTAL LIABILITIES</b>		<b>25 283</b>	<b>24 056</b>
<b>NET ASSETS</b>		<b>29</b>	<b>-</b>

	Note	2016/17 R'000	2015/16 R'000
Represented by: Recoverable revenue		29	-
<b>TOTAL</b>		<b>29</b>	<b>-</b>

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

**VOTE 04**

**STATEMENT CHANGES IN NET ASSETS**

**for the year ended 31 March 2017**

	<i>Note</i>	<b>2016/17 R'000</b>	<b>2015/16 R'000</b>
Recoverable revenue			
<b>Opening balance</b>		-	-
<b>Transfers:</b>			
Debts raised		29	
<b>Closing balance</b>		-	-
<b>TOTAL</b>		<b>29</b>	<b>-</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

CASH FLOW STATEMENT

for the year ended 31 March 2017

	Note	2016/17 R'000	2015/16 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>		618 630	478 114
Annual appropriated funds received	<a href="#">1.1</a>	616 606	476 292
Departmental revenue received	<a href="#">2</a>	598	1 124
Interest received	<a href="#">2.2</a>	1 426	698
Net (increase)/decrease in working capital		(1 109)	349
Surrendered to Revenue Fund		(2 128)	(5 871)
Current payments		(466 441)	(408 146)
Payments for financial assets	<a href="#">5</a>	(233)	(431)
Transfers and subsidies paid		(21 903)	(21 659)
Net cash flow available from operating activities	<a href="#">14</a>	126 816	42 356
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<a href="#">7</a>	(127 092)	(45 844)
Proceeds from sale of capital assets	<a href="#">2.3</a>	793	251
Net cash flows from investing activities		(126 299)	(45 593)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		29	-
<b>Net cash flows from financing activities</b>		<b>29</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		546	(3 237)
Cash and cash equivalents at beginning of period		1 788	5 025
<b>Cash and cash equivalents at end of period</b>	<a href="#">9</a>	<b>2 334</b>	<b>1 788</b>

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ACCOUNTING POLICIES

for the year ended 31 March 2017

**Summary of significant accounting policies**

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

<b>1</b>	<b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.
<b>2</b>	<b>Going concern</b> The financial statements have been prepared on a going concern basis.
<b>3</b>	<b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
<b>4</b>	<b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
<b>5</b>	<b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
<b>6</b>	<b>Comparative information</b>
<b>6.1</b>	<b>Prior period comparative information</b> Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
<b>6.2</b>	<b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
<b>7</b>	<b>Revenue</b>
<b>7.1</b>	<b>Appropriated funds</b> Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
<b>7.2</b>	<b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
<b>7.3</b>	<b>Accrued departmental revenue</b> Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <input type="checkbox"/> it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and <input type="checkbox"/> the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy

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ACCOUNTING POLICIES

for the year ended 31 March 2017

<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment.
<b>8.1.2</b>	<b>Social contributions</b> Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
<b>8.2</b>	<b>Other expenditure</b> Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
<b>8.3</b>	<b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements 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. Accruals and payables not recognised are 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.>
<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.

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ACCOUNTING POLICIES

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<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. 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 are 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 fair value for recording in the asset register. 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.
<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.

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17.3	<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.
17.4	<b>Commitments</b> Commitments (other than for transfers and subsidies) 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.
18	<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.
19	<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.
20	<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.
21	<b>Changes in accounting policies, accounting estimates and errors</b> Changes in accounting policies that are affected 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.
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> The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	<b>Departures from the MCS requirements</b> [Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]
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.

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**ACCOUNTING POLICIES**

**for the year ended 31 March 2017**

<b>26</b>	<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.
<b>27</b>	<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/MEC'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.
<b>28</b>	<b>Inventories (<i>Effective from date determined in a Treasury Instruction</i>)</b> At the date of acquisition, inventories are recorded at cost price in the statement of financial performance. 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. Subsequent measurement of the cost of inventory is determined on the weighted average basis.
<b>29</b>	<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.
<b>30</b>	<b>Employee benefits</b> The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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:

	2016/17			2015/16	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not request- ed/not received R'000	Final Appo- riation R'000	Appropriation received R'000
1: Administration	123 658	123 658	-	116 755	116 755
2: Local Governance	172 087	172 087	-	151 447	151 447
3: Development and Planning	146 925	146 925	-	48 846	48 846
4: Traditional Institutional Management	155 478	155 478	-	141 615	141 615
5: House of Traditional	18 458	18 458	-	17 629	17 629
<b>Total</b>	<b>616 606</b>	<b>616 606</b>	<b>-</b>	<b>476 292</b>	<b>476 292</b>

1.2 Conditional grants

	Note	2016/17 R'000	2015/16 R'000
Total grants received	<a href="#">31</a>	2 762	2 633

2. Departmental revenue

	Note	2016/17 R'000	2015/16 R'000
Tax revenue			
Sales of goods and services other than capital assets	<a href="#">2.1</a>	373	354
Interest, dividends and rent on land	<a href="#">2.2</a>	1 426	698
Sales of capital assets	<a href="#">2.3</a>	793	251
Transactions in financial assets and liabilities	<a href="#">2.4</a>	225	770
Total revenue collected		<b>2 817</b>	<b>2 073</b>
Departmental revenue collected		<b>2 817</b>	<b>2 073</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

2.1 Sales of goods and services other than capital assets

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
Sales by market establishment		<u>373</u>	<u>354</u>

2.2 Interest, dividends and rent on land

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
Interest		<u>1 426</u>	<u>698</u>

2.3 Sale of capital assets

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
Tangible assets		793	251
Machinery and equipment	25.2	793	251
<b>Total</b>		<u><b>793</b></u>	<u><b>251</b></u>

2.4 Transactions in financial assets and liabilities

	Note	2016/17	2015/16
	<u>2</u>	R'000	R'000
Other Receipts including Recoverable Revenue		<u>225</u>	<u>770</u>

3. Compensation of employees

3.1 Salaries and Wages

	Note	2016/17	2015/16
		R'000	R'000
Basic salary		208 692	202 269
Performance award		6 116	5 570
Service Based		333	162
Compensative/circumstantial		3 938	3 749
Periodic payments		2 458	3 006
Other non-pensionable allowances		85 746	84 325
<b>Total</b>		<u><b>307 283</b></u>	<u><b>299 081</b></u>

None pensionable allowances includes Salaries of Traditional Leaders, Housing Allowances and Service Bonuses for Employees

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for the year ended 31 March 2017

3.2 Social contributions

	Note	2016/17	2015/16
		R'000	R'000
Employer contributions			
Pension		26 171	25 109
Medical		17 810	16 917
UIF		25	9
Bargaining council		61	59
Insurance		-	-
<b>Total</b>		<b>44 067</b>	<b>42 094</b>
<b>Total compensation of employees</b>		<b>351 350</b>	<b>341 175</b>
<b>Average number of employees</b>		<b>841</b>	<b>849</b>

4. Goods and services

	Note	2016/17	2015/16
		R'000	R'000
Administrative fees		680	508
Advertising		3 234	1 198
Minor assets	<a href="#">4.1</a>	3 402	634
Catering		6 388	3 765
Communication		7 715	6 774
Computer services	<a href="#">4.2</a>	260	219
Consultants: Business and advisory services		1 799	1 157
Infrastructure and planning services		2 382	2 763
Legal services		6 200	4 803
Contractors		1 552	1 450
Audit cost – external	<a href="#">4.3</a>	2 783	2 851
Fleet services		3 872	3 249
Inventory	<a href="#">4.4</a>	30 172	2 722
Consumables	<a href="#">4.5</a>	4 834	1 930
Operating leases		10 139	7 663
Property payments	<a href="#">4.6</a>	4 479	3 312
Rental and hiring		-	13
Travel and subsistence	<a href="#">4.7</a>	18 718	15 737
Venues and facilities		1 345	2 729
Training and development		3 588	1 660
Other operating expenditure	<a href="#">4.8</a>	1 549	1 834
<b>Total</b>		<b>115 091</b>	<b>66 971</b>

4.1 Minor assets

	Note	2016/17	2015/16
		R'000	R'000
<b>Machinery and equipment</b>	<a href="#">4</a>	<b>3 402</b>	<b>634</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

4.2 Computer services

	Note	2016/17	2015/16
	<u>4</u>	R'000	R'000
SITA computer services		260	95
External computer service providers		-	124
<b>Total</b>		<b>260</b>	<b>219</b>

4.3 Audit cost – External

	Note	2016/17	2015/16
	<u>4</u>	R'000	R'000
<b>Regularity audits</b>		<b>2 783</b>	<b>2 851</b>

4.4 Inventory

	Note	2016/17	2015/16
	<u>4</u>	R'000	R'000
Clothing material and accessories		211	237
Materials and supplies		29 961	2 485
<b>Total</b>		<b>30 172</b>	<b>2 722</b>

4.5 Consumables

	Note	2016/17	2015/16
	<u>4</u>	R'000	R'000
Consumable supplies		<b>2 169</b>	<b>326</b>
Uniform and clothing		1 372	22
Household supplies		749	256
IT consumables		11	8
Other consumables		37	40
Stationery, printing and office supplies		2 665	1 604
<b>Total</b>		<b>4 834</b>	<b>1 930</b>

4.6 Property payments

	Note	2016/17	2015/16
	<u>4</u>	R'000	R'000
Municipal services		3 363	3 312
Property maintenance and repairs		1 116	-
<b>Total</b>		<b>4 479</b>	<b>3 312</b>

4.7 Travel and subsistence

	Note	2016/17	2015/16
	<u>4</u>	R'000	R'000
Local		18 718	15 609
Foreign		-	128
<b>Total</b>		<b>18 718</b>	<b>15 737</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

4.8 Other operating expenditure

	Note	2016/17	2015/16
	<a href="#">4</a>	R'000	R'000
Resettlement costs		-	102
Other		1 549	1 732
<b>Total</b>		<b>1 549</b>	<b>1 834</b>

5. Payments for financial assets

	Note	2016/17	2015/16
		R'000	R'000
Debt written off		<b>233</b>	<b>431</b>

5.1 Debts written off

	Note	2016/17	2015/16
	<a href="#">5</a>	R'000	R'000
Nature of debts written off (Ex-Employee ( Izinduna / Headman)		205	431
Supplier		28	-
<b>Total</b>		<b>233</b>	<b>431</b>

6. Transfers and subsidies

		2016/17	2015/16
		R'000	R'000
Provinces and Municipalities	Note <a href="#">32</a>	52	24
Non-profit institutions	Annex 1A	21 150	19 400
Households	Annex1B	701	2 235
<b>Total</b>		<b>21 903</b>	<b>21 659</b>

Unspent funds transferred to the above beneficiaries

7. Expenditure for capital assets

	Note	2016/17	2015/16
		R'000	R'000
Tangible assets		127 092	45 844
Buildings and other fixed structures	<a href="#">29.2</a>	88 501	7 063
Machinery and equipment	<a href="#">25.1</a>	38 591	38 781
<b>Total</b>		<b>127 092</b>	<b>45 844</b>

7.1 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds	Total
	R'000	R'000
Tangible assets	127 092	127 092
Buildings and other fixed structures	88 501	88 501
Machinery and equipment	38 591	38 591
<b>Total</b>	<b>127 092</b>	<b>127 092</b>

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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

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

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		22 011	22 011
Prior period error		-	-
As restated		22 011	22 011
Closing balance		22 011	22 011
Analysis of awaiting authorisation per economic classification			
Capital		17 274	17 274
Current		4 737	4 737
<b>Total</b>		<b>22 011</b>	<b>22 011</b>

8.2 Analysis of unauthorised expenditure awaiting authorisation per type

	2016/17 R'000	2015/16 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	22 011	22 011
<b>Total</b>	<b>22 011</b>	<b>22 011</b>

9. Cash and cash equivalents

	Note	2016/17 R'000	2015/16 R'000
Consolidated Paymaster General Account		2 334	1 788
<b>Total</b>		<b>2 334</b>	<b>1 788</b>

10. Receivables

		2016/17			2015/16		
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	829	-	829	-	-	-
Staff debt	10.2	135	2	137	107	-	107
Fruitless and wasteful expenditure	10.4	1	-	1	-	-	-
Other debtors	10.3	-	-	-	-	150	150
<b>Total</b>		<b>965</b>	<b>2</b>	<b>967</b>	<b>107</b>	<b>150</b>	<b>257</b>

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10.1 Claims recoverable

	Note <u>10</u> Annexure 3	2016/17 R'000	2015/16 R'000
Provincial Departments		-	87
National Departments		829	-
<b>Total</b>		<b>829</b>	<b>87</b>

10.2 Staff debt

	Note <u>10</u>	2016/17 R'000	2015/17 R'000
Staff Debtors		33	11
Ex-Employees		104	96
<b>Total</b>		<b>137</b>	<b>107</b>

10.3 Other debtors

	Note <u>10</u>	2016/17 R'000	2015/16 R'000
Ex-Employee		-	121
Suppliers		-	29
Other		-	-
<b>Total</b>		<b>-</b>	<b>150</b>

10.4 Fruitless and wasteful expenditure

	Note <u>10</u>	2016/17 R'000	2015/16 R'000
Opening balance		-	4
Less amounts recovered		-	(4)
Less amounts written off		-	-
Transfers from note 22 Fruitless and Wasteful Expenditure		1	-
<b>Total</b>		<b>1</b>	<b>-</b>

11. Voted funds to be surrendered to the Revenue Fund

	Note	2016/17 R'000	2015/16 R'000
Opening balance		23 077	26 871
Prior period error			
As restated		23 077	26 871
Transfer from statement of financial performance (as restated)		937	212
Voted funds not requested/not received		-	-
Paid during the year		(212)	(4 006)
<b>Closing balance</b>		<b>23 802</b>	<b>23 077</b>

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

	Note	2016/17 R'000	2015/16 R'000
Opening balance		385	177
Prior period error			
As restated		385	177
Transfer from Statement of Financial Performance (as restated)		2 817	2 073
Own revenue included in appropriation		-	-
Paid during the year		(1 916)	(1 865)
<b>Closing balance</b>		<b>1 286</b>	<b>385</b>

13. Payables – current

	Note	2016/17 R'000	2015/16 R'000
Clearing accounts	<a href="#">13.1</a>	195	594
<b>Total</b>		<b>195</b>	<b>594</b>

13. 1 Clearing accounts

	Note	2016/17 R'000	2015/16 R'000
Description	<a href="#">13</a>		
Sal :ACB Recall		-	-
Sal Income Tax		190	589
Disallowance Miscellaneous		5	3
Sal Pension		-	2
<b>Total</b>		<b>195</b>	<b>594</b>

14. Net cash flow available from operating activities

	Note	2016/17 R'000	2015/16 R'000
Net surplus/(deficit) as per Statement of Financial Performance			
Add back non cash/cash movements not deemed operating activities		3 754	2 285
		123 062	40 071
(Increase)/decrease in receivables – current		(710)	212
Increase/(decrease) in payables – current		(399)	137
Proceeds from sale of capital assets		(793)	(251)
Expenditure on capital assets		127 092	45 844
Surrenders to Revenue Fund		(2 128)	(5 871)
<b>Net cash flow generated by operating activities</b>		<b>126 816</b>	<b>42 356</b>

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

	Note	2016/17 R'000	2015/16 R'000
<b>Consolidated Paymaster General account</b>		<b>2 334</b>	<b>1 788</b>

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16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

	Note	2016/17 R'000	2015/16 R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 2A	-	30
Claims against the Department	Annex 2B	57 891	57 891
Intergovernmental payables (unconfirmed balances)	Annex 4	-	21 188
<b>Total</b>		<b>57 891</b>	<b>79 109</b>

16.2 Contingent Assets

Nature of Contingent Assets

	Note	2016/17 R'000	2015/16 R'000
Counter Claim on the matter of STEMASHAN SPHEPHELO V/S MEC & HOD		13 249	-

17. Commitments

	Note	2016/17 R'000	2015/16 R'000
<b>Current expenditure</b>			
Approved and contracted		6 197	372
<b>Capital expenditure</b>			
Approved and contracted		21 645	1 630
<b>Total Commitments</b>		<b>27 842</b>	<b>2 002</b>

18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification	2016/17 R'000			2015/16 R'000
	30 Days	30+ Days	Total	Total
Goods and services	1 519	-	1 519	1 107
Capital assets				
Other	226	-	226	283
<b>Total</b>	<b>1 745</b>	<b>-</b>	<b>1 745</b>	<b>1 390</b>

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	Note 18	2016/17 R'000	2015/16 R'000
<b>Listed by programme level</b>			
Administration		1 166	788
Local Governance		140	132
Development and Planning		328	96
Traditional Institutional Management		46	77
The House of Traditional Leaders		65	297
<b>Total</b>		<b>1 745</b>	<b>1 390</b>

18.2 Payable not recognised

	Note 18	30 Days	30+ Days	2016/17 Total	2015/16 Total
Goods and services		-	-	-	383
Other		-	21 063	21 063	-
<b>Total</b>		<b>-</b>	<b>21 063</b>	<b>21 063</b>	<b>383</b>

	Note	2016/17 R'000	2015/16 R'000
<b>Listed by programme level</b>			
House of Traditional Leaders		-	383
Development and Planning		21 063	-
<b>Total</b>		<b>21 063</b>	<b>383</b>

	2016/17 R'000	2015/16 R'000
Included in the above totals are the following		
Confirmed balances with Departments	-	383
Confirmed balances with other government entities	21 063	-
<b>Total</b>	<b>21 063</b>	<b>383</b>

19. Employee benefits

	Note	2016/17 R'000	2015/16 R'000
Leave entitlement		19 118	16 248
Service bonus (Thirteenth cheque)		8 998	8 532
Performance awards		6 116	5 570
Capped leave commitments		12 043	11 529
Other		-	18
<b>Total</b>		<b>46 275</b>	<b>41 897</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 R 0.179 million on leave entitlement (over statement)

The negative leave days is a pro-rata calculation for 31 March 2017 which indicates that the officials have already finished the previous leave cycle, however new days were accrued for all officials on the 1<sup>st</sup> January 2017. The officials have leave credits on the system amounting to R 0.064 million.

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20. Lease commitments

20.1 Operating lease expenditure

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	6 507	708	7 215
Later than 1 year and not later than 5 years	2 367	790	3 157
<b>Total Lease Commitments</b>	<b>8 874</b>	<b>1 498</b>	<b>10 372</b>

2015/16	Buildings and other fixed structures	Machinery and equipment	Total
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</b>	<b>12 100</b>	<b>606</b>	<b>12 706</b>

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note 21	2016/17 R'000	2015/16 R'000
Opening balance		9 699	8 280
Prior period error		-	-
As restated			8 280
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		114	1 419
Closing balance		9 813	9 699

21.2 Analysis of awaiting condonation per age classification

Current year	114	1 419
Prior years	9 699	8 280
<b>Total</b>	<b>9 813</b>	<b>9 699</b>

21.3 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2016/17 R'000
CA JV	Under Investigation	36
Analytical Risk Management	Under Investigation	78
<b>Total</b>		<b>114</b>

22. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

	Note	2016/17 R'000	2015/16 R'000
Opening balance		-	6
Prior period error		-	-
As restated			6
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		138	125
Less: Amounts resolved		(132)	(131)
Less: Amounts transferred to receivables for recovery	11	(1)	-
<b>Closing balance</b>		<b>5</b>	<b>-</b>

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22.1 Analysis of awaiting resolution per economic classification

	Note 22	2016/17 R'000	2015/16 R'000
Current		5	-
<b>Total</b>		<b>5</b>	<b>-</b>

22.2 Analysis of Current Year's Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2016/17 R'000
Accommodation	Condoned	1
Accommodation	Under Investigation	1
Accommodation	Under Investigation	3
Car Accident	Condoned	132
Accommodation	Transferred to Recovery	1
<b>Total</b>		<b>138</b>

23. Key management personnel

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers (provide detail below)			
Officials:	1	1 910	1 909
Level 15 to 16	2	1 239	1 835
Level 14 (incl. CFO if at a lower level)	5	6 010	5 675
Family members of key management personnel	2	773	298
<b>Total</b>	<b>10</b>	<b>9 932</b>	<b>9 717</b>

24. Related Party Transaction

- The Department received services from Department of Public Works and Transport that it occupies government building provided free of charge.
- IT services from Provincial Treasury free of charge.
- Shared Services for Internal Audit and Audit Committee from the Office of the Premier free of charge.
- Drafting and making Leases of building contracts by Department of Public Works and Transport free of charge.

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25. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016/17

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>38 986</b>		<b>38 812</b>	<b>4 653</b>	<b>73 145</b>
Transport assets	22 110	-	1 153	4 356	18 907
Computer equipment	6 065	-	501	174	6 392
Furniture and office equipment	5 503	-	1 467	106	6 864
Other machinery and equipment	5 308	-	35 691	17	40 982
Capital Work-in-progress	-	-	-	-	-
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>38 986</b>	<b>-</b>	<b>38 812</b>	<b>4 653</b>	<b>73 145</b>

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>38 591</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>38 812</b>
Transport assets	1 153	-	-	-	1 153
Computer equipment	501	-	-	-	501
Furniture and office equipment	1 467	-	-	-	1 467
Other machinery and equipment	35 470	-	-	221	35 691
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>38 591</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>38 812</b>

25.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>4 369</b>	<b>284</b>	<b>4 653</b>	<b>793</b>
Transport assets	4 356	-	4 356	793
Computer equipment	13	161	174	-
Furniture and office equipment	-	106	106	-
Other machinery and equipment	-	17	17	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>4 369</b>	<b>284</b>	<b>4 653</b>	<b>793</b>

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25.3 Movement for 31 MARCH 2016

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>32 493</b>	<b>(571)</b>	<b>38 913</b>	<b>(31 849)</b>	<b>38 986</b>
Transport assets	14 816	(508)	36 151	(28 349)	22 110
Computer equipment	8 317	(63)	973	(3 162)	6 065
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>(571)</b>	<b>38 913</b>	<b>(31 849)</b>	<b>38 986</b>

25.3.1 Prior period error

	Note	2015/16
		R'000
Relating to 2015/16		
<b>Nature of prior period error</b>	<a href="#">25.3</a>	
Assets written-off during 2015/16 financial period but were only removed in the asset register for the 2016/17 financial period.		(571)
Transport Assets		(508)
Computer Equipment		(63)
<b>Total</b>		<b>(571)</b>

26. Minor assets

26.1 MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	7	-	8 964	-	8 971
Additions	-	-	-	3 402	-	3 402
Disposals	-	(1)	-	(518)	-	(519)
<b>TOTAL M/ASSETS</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>11 848</b>	<b>-</b>	<b>11 854</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost	-	3	-	8 205	-	8 208
<b>TOTAL</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>8 205</b>	<b>-</b>	<b>8 208</b>

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

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

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost	-	5	-	6 627	-	6 632
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>6 627</b>	<b>-</b>	<b>6 632</b>

26.3 MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	679	-	679
<b>TOTAL MOVABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>679</b>	<b>-</b>	<b>679</b>

27. S42 Movable Capital assets

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

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

27.2 MINOR 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	-	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 2017

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

28.1 Movement for 2015/16

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	7 069	-	-	(69)	7 000

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29. Immovable Tangible Capital Assets

29.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	7 383	(7 383)	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	7 383	(7 383)	-
Capital Work-in-progress	12 618	-	86 117	(4999)	93 736
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>12 618</b>	<b>-</b>	<b>93 500</b>	<b>(12 382)</b>	<b>93 736</b>

29.2 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>88 501</b>	<b>4 999</b>	<b>(86 117)</b>	<b>-</b>	<b>7 383</b>
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	88 501	4 999	(86 117)	-	7 383
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS					
<b>Totals</b>	<b>88 501</b>	<b>4 999</b>	<b>(86 117)</b>	<b>-</b>	<b>7 383</b>

29.3 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>				
Other fixed structures	-	7 383	7 383	-
<b>TOTAL</b>	<b>-</b>	<b>7 383</b>	<b>7 383</b>	<b>-</b>

29.4 Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	42 624	(42 624)	-
Other fixed structures	-	-	42 624	(42 624)	-
Capital Work-in-progress	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>42 624</b>	<b>(42 624)</b>	<b>-</b>

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29.4.1 S42 Immovable Assets For the year ended 31 March 2016

ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 THE PFMA

		2015/16
		R'000
Other Fixed Structure	Note 8	<u>42 624</u>

30. Prior Period Errors

30.1 Correction of prior period errors

		2015/16
		R'000
Employee benefit	Note 19	16 427
Less : Leave entitlement-leave captured in 2016/17 relate to 2015/16		(179)
Net effect		<u>16 248</u>

30.2 Correction of prior period errors

		2015/16
		R'000
Key management personnel	Note 23	9 419
Add : Family members of key management personnel		298
Net effect		<u>9 717</u>

30.3 Correction of prior period errors

		2015/16
		R'000
Movement in Tangible Capital Assets	Note 25.3	
Nature of prior period error		
Assets written-off during 2015/16 financial period but were only removed in the asset register for the 2016/17 financial period.		(571)
Transport Assets		(508)
Computer Equipment		(63)
Total		<u>(571)</u>

31. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2015/16	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by de-part-ment	Amount spent by de-part-ment	Under / (Over-spend-ing)	% of available funds spent by de-part-ment	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	2 762	-	-	-	2 762	2 762	2 762	-	100%	2 633	2 633
Total	<u>2 762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2 762</u>	<u>2 762</u>	<u>2 762</u>	<u>-</u>	<u>100%</u>	<u>2 633</u>	<u>2 633</u>

32. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjust-ments	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 (MBOMBELA MUNICIPALITY)	-	-	-	66	-	52	-
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>52</u>	<u>-</u>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 1A

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	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 Councils	21 150	-	-	21 150	21 150	100%	19 400
<b>Total</b>	<b>21 150</b>	<b>-</b>	<b>-</b>	<b>21 150</b>	<b>21 150</b>	<b>100%</b>	<b>19 400</b>

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	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							
LEAVE GRATUITY	701	-	-	701	701	100%	2 236
<b>TOTAL</b>	<b>701</b>	<b>-</b>	<b>-</b>	<b>701</b>	<b>701</b>	<b>100%</b>	<b>2 236</b>

ANNEXURE 1C

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
EPWP	-	337	216	510	207	199	219	211	234	211	210	208	2 762
<b>Total</b>	<b>-</b>	<b>337</b>	<b>216</b>	<b>510</b>	<b>207</b>	<b>199</b>	<b>219</b>	<b>211</b>	<b>234</b>	<b>211</b>	<b>210</b>	<b>208</b>	<b>2 762</b>

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 – LOCAL

Guarantor ANNEXURE 3A institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2016	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ re-leased during the year	Revaluations	Closing balance 31 March 2017	Guaranteed interest for year ended 31 March 2017	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
First National Bank		-	30	-	(30)	-	-	-	-
<b>TOTAL</b>		<b>-</b>	<b>30</b>	<b>-</b>	<b>(30)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017

Nature of Liability	Opening Balance 1 April 2016 R'000	Liabilities incurred during the year R'000	Liabilities paid/can- celled/re- duced during the year R'000	Liabilities recoverable (Provide de- tails hereun- der) R'000	Closing Balance 31 March 2017 R'000
<b>Claims against the Department</b>					
1. AFRICAN GAZA CHURCH	39	-	-	-	39
2. STEMASHAN SPHEPELO 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 HYDROTEK INT (PTY) LTD, DE- PARTMENT	2 200	-	-	-	2 200
5. MANTELANE CONSTRUCTION CC VS MEC, RAND WATER & FT CONSULTANTS	30 000	-	-	-	30 000
<b>TOTAL</b>	<b>57 891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57 891</b>

ANNEXURE 3

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
LIMPOPO DEP OF PUBLIC WORKS ROADS & TRANSP	-	-	-	13	-	13
MP PROVINCIAL TREASURY	-	-	-	74	-	74
NATIONAL DEPARTMENT OF JUSTICE	829	-	-	-	829	-
<b>Total</b>	<b>829</b>	<b>-</b>	<b>-</b>	<b>87</b>	<b>829</b>	<b>87</b>
<b>OTHER GOVERNMENT ENTITIES</b>						
Eskom	-	-	4	-	4	-
<b>GRAND TOTAL</b>	<b>829</b>	<b>-</b>	<b>4</b>	<b>87</b>	<b>833</b>	<b>87</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 4

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2015/16	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016	31/03/2017	31/03/2016	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>DEPARTMENT</b>								
MP: Department of Public Works	-	353	-	-	-	353	-	-
National School of Governance	-	-	39	-	39	-	-	-
MP: DARDLEA	-	-	-	125	-	125	-	-
<b>Subtotal</b>	<b>-</b>	<b>353</b>	<b>39</b>	<b>125</b>	<b>39</b>	<b>478</b>	-	-
<b>OTHER GOVERNMENT ENTITIES</b>								
<b>Current</b>								
Rand Water	21 063	-	-	21 063	21 063	21 063	-	-
<b>TOTAL</b>	<b>21 063</b>	<b>353</b>	<b>39</b>	<b>21 188</b>	<b>21 102</b>	<b>21 541</b>	-	-

ANNEXURE 5

INVENTORIES

Inventory [Per major category]

Note	Quantity	2016/17	Quantity	2015/16
		R'000		R'000
Opening balance	2 406	12 824	2 778	13 128
Add/(Less): Adjustments to prior year balance	-	-	-	-
Add: Additions/Purchases – Cash	15 590	30 172	2 730	2 721
Add: Additions - Non-cash	12	572	-	-
(Less): Disposals	(29)	(39)	-	-
(Less): Issues	(5 200)	(11 017)	(3 102)	(3 025)
Add/(Less): Adjustments	-	-	-	-
<b>Closing balance</b>	<b>12 779</b>	<b>32 512</b>	<b>2 406</b>	<b>12 824</b>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

ANNEXURE 6

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Current Year Capital WIP	Completed Assets	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	12 618	86 117	(4 999)	93 736
Non-residential buildings	-	-	-	-
Other fixed structures	12 618	86 117	(4 999)	93 736
<b>TOTAL</b>	<b>12 618</b>	<b>86 117</b>	<b>(4 999)</b>	<b>93 736</b>

Age analysis on ongoing projects

	Number of projects		2016/17
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	1	18	84 455
1 to 3 Years	-	3	5 596
3 to 5 Years	-	1	3 685
Longer than 5 Years	-	-	-
<b>Total</b>	<b>1</b>	<b>22</b>	<b>93 736</b>

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

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



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