

ANNUAL REPORT

**CO-OPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS**

2017/18



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



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PART A

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

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

3. FOREWORD BY THE MEC (2017/18)



HON. S.K. MASHILO (MPL)
MEC: CO-OPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

This Annual Report mirrors the Department's account of the plans, achievements and challenges in line with its mandate of the delivery of services during the period under review as set out in the Constitution. The implementation of the Integrated Municipal Support Plan (IMSP) as a pillar for the Back to Basics (B2B) served as a blue print for the Department to achieve the set plans.

The Department's target of a clean audit was achieved, making this milestone achievement, the third in a row. This achievement is an outcome of a determination and the high level of commitment demonstrated by the Head of the Department, supported by officials at all levels and it signifies the Department's compliance to regulatory and financial prescripts such as the Public Finance Management Act (PFMA) in the execution of the mandate.

During this period the Department was also awarded the Southern African Institute of Government Auditors Award (SAIGA) for the second time. The awards were adjudicated by independent bodies and this gave credence to the proper spending of public funds and the efficient support for municipalities by the Department.

Smart meters to resolve the electricity challenges faced by municipalities were installed in a number of areas. The majority of our municipalities are grant-dependant and the loss of revenue with a direct link to poor electricity revenue collection landed them into ESKOM's bad books as defaulters. With the smart metering solution in place, we are optimistic that the endemic loss of revenue by our municipalities will in future be a thing of the past. Pursuant to the goal of putting municipalities on a good financial footing, we are convinced that this intervention will produce the desired outcome to recoup the badly-needed revenue.

The construction of the offices of the Dipaleseng Local Municipality was practically completed and will be transferred to the municipality during the 2018/19 financial year. The efficiency of Local Government in providing services for the communities in

the Dipaleseng Local Municipality has been enhanced through this construction.

This intervention is anchored in the National Development Plan (NDP)'s aspiration of establishing a responsive, efficient and capable local government system by 2030. Notwithstanding limited financial resources, we have built the municipal offices in an attempt to improve the capacity for efficient service delivery.

The effectiveness of War Rooms as a lever for the functionality of Operation Vuka Sisebente (OVS) was boosted. The Department's pre-occupation of improving the performance of the Council of Stakeholders was not in vain. A number of inhibiting factors were resolved to make the objectives of the OVS, as a service delivery model, a reality. The next challenge is to ensure that all established war rooms are provided with the tools of trade and the effectiveness of all Council of Stakeholders to prevent the undesirable outcomes of violent protests that lead to the loss of lives and vandalising of public property.

The spending of Municipal Infrastructure Grant has improved to 97% in the past two years. Due to the improved spending on MIG, 89% of households had access to water, 97% sanitation, 92% electricity, 52% refuse removal during the period under review, the above progress has been achieved despite the population growth of 15% (1 075 488 to 1 238 861) in the Province.

Unemployment remains the fundamental challenge Mpumalanga is faced with. In an attempt to address this, the Department created an additional 739 and maintained 27 170 jobs through the Community Works' Programme (CWP), as its contribution in the fight against poverty, unemployment and inequality. A further initiative to address youth unemployment was the EPWP project on Youth Waste Management, implemented in three municipalities, namely: Nkomazi, Bushbuckridge and Dipaleseng that yielded a total of 130 out of the planned target of 93 job opportunities. This translated into social income as a safety net for families with no income. Buoyed by this progress, our next challenge is to explore innovative means in pursuit of the radical economic transformation as a mechanism for job creation.

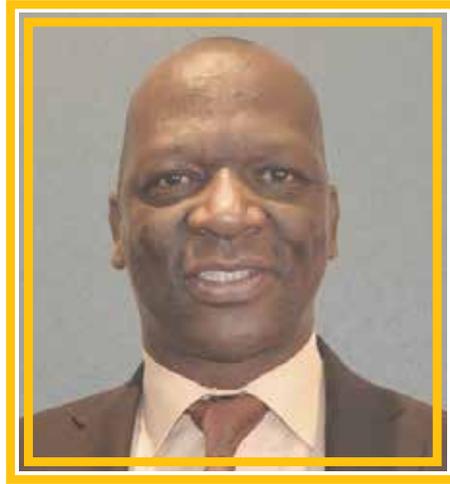
The Department successfully coordinated the reconstitution of both the Provincial and three (3) Local Houses of Traditional Leaders. The newly elected members were trained on their roles and responsibilities to ensure effective and efficient operations of the House of Traditional Leaders.

A handwritten signature in black ink, appearing to read 'S.K. Mashilo', written over a horizontal line.

HON. S.K. MASHILO
MEC for the Department of CoGTA

Date 31/05/2018

4. REPORT OF THE ACCOUNTING OFFICER



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

Overview of the operations of the Department

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

- Capacitated municipal officials on Local Economic Development; Waste Water Treatment Plant-process controllers; SPLUMA for Spatial Development Planning; Research methodology and Advance Water Treatment Plant
- The upgrading of the sub-station and medium voltage power line to strengthen the bulk electricity supply to ext. 8 in Standerton at Lekwa Local Municipality to benefit 500 households was practically completed and will be transferred to the municipality during the 2018/19 financial year.
- The rehabilitation of the electricity network in Botleng within Victor Khanye Local Municipality was practically completed and will be transferred to the municipality during the 2018/19 financial year.
- Implemented the Expanded Public Works Program (EPWP) and in the process created 130 full time equivalent jobs.
- Provided support to Traditional Councils through the procurement of farming implements for all 60 Traditional Councils.
- Six (6) Municipal Managers were seconded as part of support in Municipalities.

Challenges

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

- Municipalities continue to parachute and implement projects not prioritized in IDPs;
- High vacancy rate of section 54 and 56 managers due to the lapse of employment contracts that were linked to term of Municipal Councils.
- Lack of own revenue streams in municipalities and dependence on conditional grants delays the implementation of IDPs and service delivery in general;
- Poor participation of communities in IDP processes due to diminishing public trust and confidence in government;
- Poor performance on MIG programme in Govan Mbeki, Lekwa and Emalahleni Local Municipalities due to slow appointment of service providers and Inaccurate reporting on section 71, and this has led National Treasury and National Department of Cooperative Governance (NDCOG) to stop R37.3 million for the above municipalities.
- Disputes over chieftainship arise within Traditional Councils.

Overview of the financial results of the Department

Departmental receipts

Departmental receipts	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	390	353	37	373	373	0
Interest, dividends and rent on land	996	1 032	(36)	952	1 426	(474)
Sale of capital assets	56	250	(194)	50	793	(743)
Financial transactions in assets and liabilities	36	85	(49)	31	225	(194)
Total	1 478	1 720	(242)	1 406	2 817	(1 411)

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

Programme Expenditure

Programme Name	2017/2018			2016/2017		
	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	117 557	117 541	16	123 658	122 774	884
Local Governance	173 690	173 680	10	172 087	172 082	5
Planning and Development	57 208	57 193	15	146 925	146 914	11
Traditional Institutional Management	148 297	148 161	136	155 478	155 450	28
House of Traditional Leadership	18 292	18 290	2	18 458	18 449	9
Total	515 044	514 865	179	616 606	615 669	937

The Department's main appropriation for 2017/18 was **R 510.044 million** and was adjusted to **R 515.044 million** during the November 2017 Adjustment Appropriation Budget compared to **R 616.606 million** in 2016/17.

The department spent **R 514.865 million** or **100 per cent** of the adjusted budget as at 31 March 2018, compared to **R 615.669 million** or **99.8 per cent** in 2016/17. The department has an immaterial underspending of **R 0.179 million** or **0.0 per cent** compared with **R 0.937 million** or **0.02 per cent** in 2016/17. As reported in note 18 of the Annual financial Statements, total accruals for the financial year 2017/18 amounts to **R 4.987 million** (**R 1.745 million** in 2016/17).

Programme 01: Administration

The main appropriation was **R 118.642 million** and the final adjusted budget was **R 117.557 million**. The programme spent **R 117.541 million** or **100 per cent** compared with **R 122.774 million** or **99.3 per cent** in the 2016/17 financial year.

Programme 02: Local Governance

The main appropriation was **R 171.613 million** and the final adjusted budget is **R 173.690 million**. The programme spent **R 173.680 million** or **100 per cent** compared with **R 172.082 million** or **100 per cent** in the 2016/17 financial year.

Programme 03: Development and Planning

The main appropriation was **R 53.674 million** and final adjusted budget is **R 57.208 million**. The programme spent **R 57.193 million** or **100 per cent** compared with **R 146.914 million** or **100 per cent** in 2016/17 financial year.

Programme 04: Traditional Institutional Management

The main appropriation was **R 148.470 million** and final adjusted budget is **R 148.297 million**. The programme spent **R 148.161 million** or **99.9 per cent** compared with **R 155.450 million** or **100 per cent** in 2016/17 financial year.

Programme 05: The House of Traditional Leaders

The main appropriation was **R 17.645 million** and final adjusted budget is **R 18.292 million**. The programme spent **R 18.290 million** or **100 per cent** compared with **R 18.449 million** or **100 per cent** in 2016/17 financial year.

Virements / roll overs

During the 2017/18 Main Budget Adjustment Process the department had received an additional appropriation of R 5.0 million which was added to the baseline on the Department

DESCRIPTION	PROGRAMME	AMOUNT R'000
Municipal Audit Outcomes Improvement Plan	Local Governance	5 000

Virements

The following were the major virements for during the 1st and 2nd Budget Adjustment Process

First Budget Adjustment Process

DESCRIPTION	PROGRAMME	AMOUNT R'000
Additional Amount to alleviate spending pressures for the programme of Amakhosikazi	The House of Traditional Leaders	600
Additional Amount to alleviate spending pressures for the construction, refurbishment and renovation of the Dipaleseng Local Municipality Offices.	Development and Planning	2 000

Second Budget Adjustment Process

DESCRIPTION	PROGRAMME	AMOUNT R'000
Additional Amount to alleviate spending pressures for the construction, refurbishment and renovation of the Dipaleseng Local Municipality Offices and Electrification of Households within various Municipalities in the Province.	Development and Planning	5 600

Post budget adjustment Virements

The accounting officer of the Department acted in terms of section 43 of the PFMA and Treasury Regulations 6.3, made the following virements:

VIREMENT SUMMARY					
FROM			TO		
PROGRAMME	ECONOMIC CLASSIFICATION	AMOUNT R'000	PROGRAMME	ECONOMIC CLASSIFICATION	AMOUNT R'000
Local Governance	Compensation of Employees	(2 923)	Traditional Institutional Management	Compensation of Employees	4 604
Development & Planning		(1 423)			
Administration		(258)			
Development & Planning	Goods and Services	(1 153)	Traditional Institutional Management	Goods and Services	1 187
The House of Traditional Leaders		(34)			
Administration	Payments for Capital Assets	(227)	Development & Planning	Payments for Capital Assets	591
Traditional Institutional Management		(364)			
TOTAL		(6 382)	TOTAL		6 382

(a) Compensation of Employees

Programme 4: Traditional Institutional Management

The programme received R 4.604 million through virements from the following programmes;

- Programme 1: Administration R 0.258 million;
- Programme 2: Local Governance R 2.923 million;
- Programme 3: Development and Planning R 1.423 million.

These amounts are all transferred from Compensation of Employees to Programme 4 under the same classification, to defray possible over expenditure as a result of the payment of salary increase back dated to April 2017 for Traditional Leaders. The salary increment was approved at a higher rate that what was anticipated by the department.

(b) Goods and Services

Programme 4: Traditional Institutional Management

The programme received **R 1.187 million** through virements from the following programmes;

- Programme 3: Development and Planning **R 1.153 million**
- Programme 5: The House of Traditional Leaders **R 0.034 million**

These virements are savings within goods and services economic classification and are transferred to the same classification in order to defray any possible over expenditure under this programme.

(c) Payments for Capital Assets

Programme 3: Development and Planning

The programme is receiving **R 0.591 million** through virements from the following programmes;

- Programme 1: Administration **R 0.227 million;**
- Programme 4: Traditional Institutional Management **R 0.364 million.**

These virements are savings within payments for capital assets economic classification and are transferred to the same classification in order to defray any possible over expenditure under this programme.

Future plans of the Department

The Department will support Kwaggafontein A within Thembisile Hani Local Municipality with tenure upgrading processes in support of integrated human settlements. The Department will further assist municipalities to review rate policies, By-Laws and rates tariffs. In an effort to improve revenue collection within municipalities, the Department will assess and guide municipalities to comply with the Municipal Property Rates Act and also assist with debt collection. The Department will continue to support Traditional Councils with the provision of financial assistance for the day to day administration of their Traditional Councils and holding of cultural ceremonies. Through the Integrated Municipal Support Plan, the Department will continue to support municipalities to strengthen their capacity to deliver services in line with the Back to Basic programme.

Public Private Partnerships

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

Discontinued activities / activities to be discontinued

No discontinued activities

Supply Chain Management

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

Officials doing business with the state continues to be our challenge. We however have resolved this by verifying all owners of business entities in our database against PERSAL system and communicated with all Departments and Municipalities where we discovered their employees in our database. The verification is an ongoing process.

Gifts and Donations received in kind from non-related parties

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

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

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

Exemptions and deviations received from the National Treasury

No exemptions or deviations were received from the National Treasury.

Events after the reporting date

The Department processed the payment of accruals amounting to **R 4.987 million** relating to the 2017/18 financial year during the first quarter of the new financial year (2018/19).

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 period under review.

Approval and sign off

The Annual Financial Statement as set out in pages 83 to 129 has been approved by the Accounting Officer.



T.P. Nyoni
Accounting Officer
Department of CoGTA
Date: 31/05/2018

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.

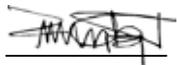
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2018.

Yours faithfully



TP Nyoni

Accounting Officer

Date 31/05/2018

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part I: Provincial Disaster Management Framework:

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

(2) A Provincial disaster management framework must be consistent with the provisions of this Act and National Disaster Management Framework.

(3) (a) Provincial disaster management framework, or any amendment thereto, must be published in the *Provincial Gazette*.

(b) Before establishing or amending a Provincial disaster management framework, particulars of the proposed framework or amendment must be published in the *Provincial gazette* for public comment.

Part 2: Provincial Disaster Management Centres

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

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

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

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

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

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

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

The Act requires of the Department to take cognisance and assist to provide for the recognition and withdrawal of recognition of traditional communities; to provide for the establishment and recognition of Traditional Councils; to provide for the recognition and appointment of Traditional Leaders and their removal from office; to provide for the implementation of the Provincial Code of Conduct; and to provide for matters connected therewith.

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

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

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

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

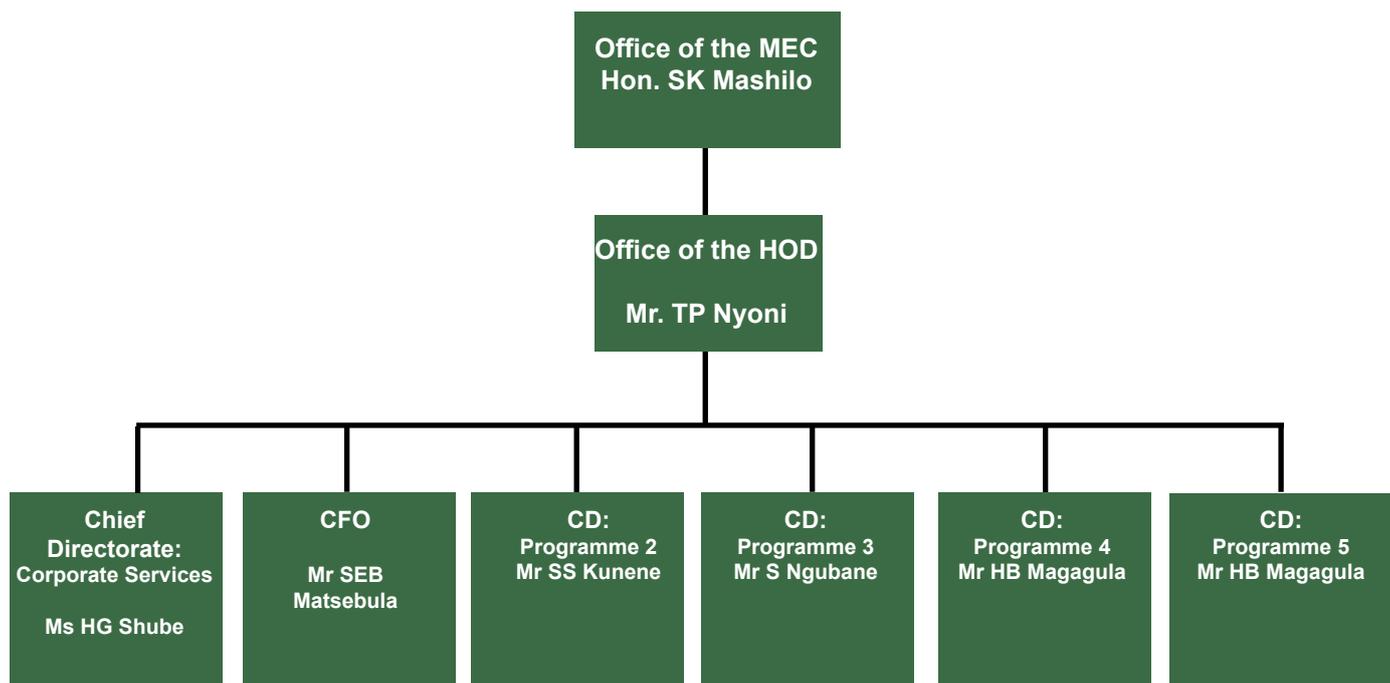
7.1.18 Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)

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

7.2 Other legislation that also impact on the Department includes:

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

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 81 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

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

In terms of 2016/17 audit outcomes only two (2) out of twenty (20) Municipalities in the Province received a clean audit outcome namely; Nkangala District Municipality and Ehlanzeni District Municipality. 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 there was an increased demand for basic services such as access to water, sanitation, electricity and refuse removal. In order to meet the required demand the Department supported and monitored the provision of basic services by municipalities such as ; water and sanitation in the Province, with 89% (1 104 686 out of 1 238 861) households having access to water and 97% (1 202 141 out of 1 238 861) households having access to sanitation.

92% (1 145 583 out of 1 238 861) households have access to electricity and 52% (646 646 out of 1 238 861) households have access to refuse removal in the Province. A total of 247 projects were registered and approved for MIG funding to the value of R1.9 billion. An expenditure of R1.2 billion (66%) has been reported as at end of March 2018.

In order to improve the capacity of municipal officials and municipal councillors the Department conducted 5 Capacity building interventions in municipalities which are Local Economic Development, Waste water treatment for process controllers, SPLUMA for Spatial Development framework, Research methodology and Advance water treatment plant.

In contribution to integrated human settlements the Department supported 2 settlements with tenure upgrading processes (Kwaggafontein A at Thembisile Hani Local Municipality and Gutshwa/ Khumbula at City of Mbombela Local Municipality), approved 2 Township establishment projects at general plan stage (Mashiloville/ Kameelpoortnek at Thembisile Hani and Ga-Phahla/ Siyabuswa A ext. 1 at Dr JS Moroka) and supported all local municipalities with site identification for the development of social facilities. The Department evaluated 55 applications for Land Development and conducted 302 Surveys services in order to assist municipalities in addressing land boundary disputes, identifying stand boundaries for allocation of stands and point boundaries of properties for construction of low cost housing. The Department further supported all Municipalities with the development of 2017-2022 legally compliant IDPs, implementation of SPLUMA and Spatial Development Framework. Six (6) Municipalities supported to implement Local Economic Development projects in line with updated Municipal LED Strategies (Thaba Chweu, Bushbuckridge, Lekwa, Dr Pixley Ka Isaka Seme, Emalahleni and Victor Khanye). In order to reduce the impact of a possible natural disaster in the Province the Department supported all local municipalities to conduct disaster risk reduction campaigns in communities and supported six (6) Local Municipalities on fire brigade services (City of Mbombela, Emalahleni, Dr JS Moroka, Govan Mbeki, Chief Albert Luthuli and Mkhondo)

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. In an effort to bring services to the people, the Department facilitated eight (8) Mobile Outreach Programmes in 8 Local Municipalities (Nkomazi in Steenbok; Thaba Chweu in Leroro Community Hall, Msukaligwa in Wesseltown; Dr JS Moroka in Matshiding; Bushbuckridge in Zoeknog Ga Moripa; Steve Tshwete in Sikhululwiwe Village; Dipaleseng in Greylingstad and Chief Albert Luthuli in Bettysgoed) as an access strategy on service delivery to communities.

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

- Resolving Traditional disputes, complaints, claims and Land cases
- 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

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Local Governance	Local Municipalities District Municipalities Sector Departments SALGA	Support 400 Ward Committees in implementation of Ward Operational Plans	400 Ward Committees supported in implementation of Ward Operational Plans	400 Ward Committees supported in implementation of Ward Operational Plans
Development and Planning	Local Municipalities District Municipalities Sector Departments SALGA	20 Municipalities with responsive IDPs approved	20 municipalities supported with development of legal compliant IDPs	20 municipalities supported with development of legal compliant IDPs
Traditional Institution Management	Traditional Councils	Provision of tools of trade to 60 Traditional Councils	Tool of trade provided to 60 Traditional Councils	Farming implements provided as tool of trade to 60 Traditional Councils
House of Traditional Leaders	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
Public hearings	To get information about service delivery needs	Information gathered and community needs identified
Meetings (Seminars)	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
Media (Print and Electronic)	To communicate the activities of the Department to the public with Communication tools	Departmental Booklets, Talk shows on SABC, Private, Community Stations & the website.

Complaints Mechanism

Current / actual complaints mechanism	Desired complaints mechanism	Actual achievements
Written complaints	Access to information	Suggestion Boxes available at Head Office and Thusong Service Centres
	Access to information	Departmental post box in place
	Access to information	Presidential Hotline in place
Verbal complaints	Access to information through telephones	Departmental Call Centre established and functional
	Access to information through public hearings	Public Hearings conducted through the Taking Legislature to the People (TLP)
	Access to information through iZimbizo	The Department supported Traditional Cultural ceremonies (Ummemo)
	Access to information	Awareness campaigns
	Access to information through OVS Model	OVS functional in all 17 Local municipalities with Ward War Rooms established.

2.3 Organisational environment

The Department has reviewed its organisational structure and submitted to the Office of the Premier for submission to DPSA. The Office of the Premier through the Executive Council directed that all reviewed structures should be subjected to an independent structure for further advice before it can be submitted for concurrence. As per the requirements of the moratorium, all vacant posts were abolished in the system across all levels. In critical positions, officials have been appointed to act.

2.4 Key policy developments and legislative changes.

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

3. STRATEGIC OUTCOME ORIENTED GOALS

The Department's strategic goals are summarized as follows:

1. Strengthen administrative and financial management systems.

- ✓ The Department had strengthened the administration and Financial management systems and the Department obtained a clean audit outcome in the 2016/17 financial year.
- ✓ Supported 14 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 1 Municipal Performance Review session (Mid-year) to monitor progress on the Performance of municipalities,

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

- ✓ A total of 247 projects were registered and approved for MIG funding to the value of R1.9 billion. An expenditure of R1.2 billion (66%) has been reported as at end of March 2018 including the additional funding of R40 million allocated to Mkhondo, Dipaleseng, Dr JS Moroka and Thembisile Hani municipalities for good performance on the programme. To date, a total of 68 projects are completed.
- ✓ Households with access to water is at 89% (1 104 686 out of 1 238 861)
- ✓ Households with access to electricity is at 92% (1 145 583 out of 1 238 861)
- ✓ Households with access to sanitation is at 97% (1 202 141 out of 1 238 861)
- ✓ Households with access to refuse removal is at 52% (646 646 out of 1 238 861)
- ✓ The Department maintained 27170 jobs through the Community Works Programme in the Province.
- ✓ 130 work opportunities created on Youth Waste Management project through the use of the EPWP Incentive Grant.

3. 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 and on the functionality of OVS War rooms.
- ✓ The Department supported 17 Municipalities on the functionality of ward committees
- ✓ 17 Local Municipalities were guided to implement public participation programmes by the Department
- ✓ 400 Ward committees supported on implementation of ward operational plans

4. Provide a democratic and accountable government for local communities

- ✓ The Department monitored all 20 Municipalities on effectiveness of S79 and S80 Committees.
- ✓ Monitored the effectiveness and stability of TROIKAs in executing their functions in all 20 Municipalities.
- ✓ Supported 13 Municipalities to review their organograms in line with the generic Municipal framework.
- ✓ Supported 14 Municipalities to comply with the Municipal Property Rates Act (MPRA)

5. Promote a safe and healthy environment

- ✓ The Department monitored local municipalities on Blue Drop and Green Drop compliance status of the Water Treatment Works (WTW) and Waste Water Treatment Works (WWTW).
- ✓ Seven (7) Municipalities were supported and monitored on the implementation of War on Leaks programme (Bushbuckridge, Chief Albert Luthuli, City of Mbombela, Dr JS Moroka, Emakhazeni, Nkomazi and Thembisile Hani)
- ✓ The Department supported 6 Municipalities on fire brigade services (City of Mbombela, Emalahleni, Dr JS Moroka, Govan Mbeki, Chief Albert Luthuli and Mkhondo) and supported all 17 local municipalities in the Province on Disaster risk reduction campaigns.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose of the Programme

This programme aim at providing effective financial, technical and administrative support to Department in terms of Political guidance, Strategic Management, Risk Management, Legal Services, Financial Management, Security Management, Human Resource Management, Transversal services, Planning and Programme Management and Communication 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 of political guidance and accurate, timely, compliant processing of financial transactions, monitoring and reporting on financial and non-financial information.

Strategic objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/18	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
To provide effective financial, technical, political and administrative support to the Department	Clean Audit outcome obtained	Sustained Clean Audit outcome	Achieved Clean Audit outcome sustained	None	None

Reasons for deviations

There were no deviations made

Performance indicators

Programme: Administration Sub-programme: Office of the MEC							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of MUNIMEC Forum held	-	-	4 MUNIMEC Forum held	2 MUNIMEC Forum held	Achieved 2 MUNIMEC Forum held	None	None

Programme: Administration Sub-programme: Office of the HOD							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Technical MUNIMEC Forum held	-	-	4 Technical MUNIMEC Forum held	4 Technical MUNIMEC Forum held	Achieved 4 Technical MUNIMEC Forum held	None	None

Programme: Administration Sub-programme: Finance							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Annual Financial Statements approved	-	-	1 Annual Financial Statement approved	2016/17 Annual Financial Statements approved	Achieved 2016/17 Annual Financial Statements approved	None	None
Approved Budget	1 Main budget approved	2016/17 Approved Budget	2017/18 Budget approved	2018/19 Approved budget	Achieved 2018/19 Budget approved	None	None
			2016/17 Adjustment Budget approved	2017/18 Adjustment Budget approved	Achieved 2017/18 Adjustment Budget approved		
Number of Risk Management reports approved	1 Risk Management Plan approved	4 Monitoring Reports on Risk Management compiled	4 Monitoring Reports on Risk Management compiled	4 Risk Management reports approved	Achieved 4 Risk Management reports approved	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Human Resource Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
HR Oversight Report 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 compiled (Approved 2015/16 HR Oversight; 1 st Quarter, Mid-term, 9 Months and 4 th Quarter 2016/17 HR Oversight)	2 HR Oversight Reports	Achieved 2 HR Oversight Reports compiled (Approved 2016/17 HR Oversight report and 2 nd Quarter 2017/18 HR Oversight report)	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Legal Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of legal opinions provided	4 Reports on legal services compiled	93 Legal opinions provided	95 Legal opinions provided	60 Legal opinions provided	Achieved 94 Legal opinions provided	34 Additional legal opinions provided	More requests for legal opinions were received
Number of Legislations drafted	-	2 Legislations drafted	2 Legislations drafted	1 Legislation drafted	Achieved 1 Legislation drafted	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Security Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Approved Security Management Plan implemented	4 Reports on security management services compiled	1 Security Management Plan approved	Approved Security Management Plan implemented	Approved security management plan implemented	Achieved Approved Security Management Plan implemented	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Planning and Programme Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Annual Performance Plan approved	2015/2016 Annual Performance Plan approved	2016/2017 Annual Performance Plan approved	2017/2018 APP approved	2018/19 APP approved	Achieved 2018/19 APP approved	None	None
Annual Performance Report approved	2013/14 Annual performance Report approved and submitted	2014/15 Annual Performance Report approved and submitted	1 Annual Performance Report approved and submitted (2015/2016)	2016/17 Annual Performance Report approved	Achieved 2016/17 Annual Performance Report approved	None	None
Annual Policy Review	-	Annual Policy Review held	Annual Policy Review held	Annual Policy Review	Achieved Annual Policy Review held	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Communication and IT Support							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Approved Communication Plan implemented	Communication and IT Plan approved	Communication Plan approved	Communication Plan approved and implemented	Approved Communication Plan implemented	Achieved Communication Plan approved and implemented	None	None
Approved IT Plan implemented		IT Plan approved	IT Plan approved and implemented	Approved IT Plan implemented	Achieved IT Plan approved and implemented	None	None

Reasons for deviations

- Additional 34 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 117.557 million had decreased by 4.9 percent or R 6.101 million in 2017/18 compared to R 123.658 million in 2016/17. This is due to the reduction in the departmental budget allocation over the 2017 MTEF.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	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	6 976	6 972	4	7 932	7 912	20
Administration	110 581	110 569	12	115 726	114 863	864
Total	117 557	117 541	16	123 658	122 774	884

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 good governance and participatory democracy at local level
- ✓ To facilitate public access to government information and services to communities through Thusong Service Centres

Strategic objectives, performance indicators, planned targets and actual achievements

- ✓ In order to strengthen the administrative, oversight capacity and accountability of thirteen (13) 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 thirteen (13) 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 good governance and participatory democracy at local level thirteen (13) 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 supported all 17 Local Municipalities with functional public access to government information and services to communities during the period under review.

Strategic objectives:

Programme Name: LOCAL GOVERNANCE					
Strategic objectives	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
To strengthen the administrative, oversight capacity and accountability of municipalities to perform their developmental responsibilities	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.	13 Municipalities with effective institutional arrangements	Achieved 13 municipalities with effective institutional arrangements (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Emalahleni, Emakhazeni, Dipaleseng, Dr Pixley IsaKa Seme, Steve Tshwete, Lekwa, Msukaligwa and Thembisile Hani). All 13 municipalities have appointed suitably qualified Senior managers, organogram are aligned to their IDP's, performance management system in place, municipal and Councilors capacitated.	None	None
	11 Municipalities have good governance practices (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Emalahleni, Emakhazeni, Dipaleseng, Lekwa, Dr Pixley and Thembisile Hani).	13 Municipalities with good governance practice	Achieved 13 municipalities have good governance practices (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Govan Mbeki, Emalahleni, Emakhazeni, Dipaleseng, Dr Pixley ka Isaka Seme, Steve Tshwete, Lekwa, Msukaligwa and Thembisile Hani).	None	None
To promote good governance and participatory democracy at local level	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)	13 Municipalities with effective public participation programmes	Achieved 13 Municipalities with effective public participation programmes (Dr J S Moroka, Emakhazeni, Victor Khanye, Steve Tshwete, Thembisile Hani, Bushbuckridge, Thaba Chweu, Nkomazi, Dipaleseng, Chief Albert Luthuli, Msukaligwa, Mkhondo, Dr Pixley Ka Isaka Seme)	None	None
To facilitate public access to government information and services to communities through Thusong Service Centres	17 Municipalities with public access to government information and services to communities (Nkomazi, Thaba Chweu, Bushbuckridge, City of Mbombela Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka-Isaka Seme, Govan Mbeki, Dipaleseng, Lekwa and Msukaligwa)	17 Municipalities with functional public access to government information and services to communities	Achieved 17 Municipalities with public access to government information and services to communities (Nkomazi, Thaba Chweu, Bushbuckridge, City of Mbombela Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka-Isaka Seme, Govan Mbeki, Dipaleseng, Lekwa and Msukaligwa)	None	None

Reasons for deviations

- None

Performance indicators

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities assessed on signed Senior Management Performance Agreement	21 Municipalities assessed on the signed Performance Agreement for Senior Managers	21 Municipalities signed performance agreements for Senior Management, assessed and feedback provided to Municipalities	20 Municipalities Assessed on signed Senior Management Performance Agreements	20 Municipalities assessed on signed Senior Management Performance Agreement	Achieved 20 Municipalities assessed on signed Senior Management Performance Agreements	None	None
Number of municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the Municipal Systems Act (MSA)	-	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	20 Municipalities monitored on the implementation of systems and procedures for personnel administration in line with s67 of the MSA	Achieved 20 Municipalities monitored on the implementation of systems and procedures for personnel administration in line with s67 of the MSA	None	None
Number of Municipalities monitored on effectiveness of s79, s80 Committees & LLF	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	20 Municipalities monitored on effectiveness of s79, s80 Committees & LLF	Achieved 20 Municipalities monitored on effectiveness of s79 and s80 Committees	None	None
Number of Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	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 compiled	20 Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	Achieved 20 Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	None	None
Number of Municipalities supported to review organogram	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	13 Municipalities supported to review organogram	Achieved 13 Municipalities supported to review organogram (Gert Sibande District, Dipaleseng, Nkomazi, Victor Khanye, Mkhondo, Dr Pixley ka Isaka Seme, Thaba Chweu, Bushbuckridge, Thembisile Hani, Emakhazeni, Dr JS Moroka, Lekwa and Msukaligwa)	None	None

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported to review Municipal By-laws	18 Municipalities supported with the Approved generic Municipal Bylaws 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 in line with the Framework (Msukaligwa, Nkomazi, Dr Pixley Ka Isaka Seme, Thembisile Hani, Emalahleni, Bushbuckridge, Dipaleseng, Dr JS Moroka and City of Mbombela)	12 Municipalities supported to review Municipal By-laws	Achieved 12 Municipalities supported to review Municipal By-laws (Dr JS Moroka, Bushbuckridge, Nkomazi, Dipaleseng, Victor Khanye, Emalahleni, Msukaligwa, Emakhazeni, Thaba Chweu, Thembisile Hani, Dr Pixley ka Isaka Seme and City of Mbombela)	None	None
Number of Municipalities supported 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	20 Municipalities supported on concurrence with National on the upper limits for councillor benefits and allowances	Achieved 20 Municipalities supported on concurrence with National on the upper limits for councillor benefits and allowances	None	None

Sector Specific Performance Indicators

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 6)	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)	20 Municipalities supported to comply with MSA regulations (Sub-outcome 3, Action 6)	Achieved 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 rollout gender policy framework	20 Municipalities supported to roll-out gender policy framework	20 Municipalities supported to roll-out gender policy framework	Achieved 20 Municipalities supported to roll-out gender policy framework	None	None
Number of Municipalities guided to comply with MPRA by target date	-	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 (Mbombela, Nkomazi, Umjindi, Emakhazeni, Dr JS Moroka, Victor Khanye, Dipaleseng, Thaba Chweu, Mkhondo, Govan Mbeki, Lekwa and Dr Pixley Ka Isaka Seme)	14 Municipalities guided to comply with MPRA by 31 March 2018	Achieved 14 Municipalities guided to comply with MPRA by 31 March 2018 (Dr JS Moroka, Govan Mbeki, Emalahleni, Lekwa, Nkomazi, Mkhondo, Emakhazeni, Thembisile Hani, Msukaligwa, Dr Pixley ka Isaka Seme, Chief Albert Luthuli, Dipaleseng, Victor Khanye and Steve Tshwete)	None	None

Programme: Local Governance							
Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of reports produced on the extent to which municipalities comply with the implementation of the Anti-corruption measures	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 compiled	4 Reports produced on the extent to which municipalities comply with the implementation of Anti-corruption measures	Achieved 4 Reports produced on the extent to which municipalities comply with the implementation of Anti-corruption measures compiled	None	None
Number of Reports on Fraud, corruption and mal-administration cases reported and investigated				4 Reports on fraud, corruption and mal-administration cases reported and investigated	Achieved 4 Reports on fraud, corruption and mal-administration cases reported and investigated compiled	None	None

Programme: Local Governance							
Sub-programme: Inter Governmental Relations							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of assessment reports on the performance of IGR structures at Provincial and District levels	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 compiled	4 Assessment reports on the performance of IGR structures at Provincial and District levels	Achieved 4 Assessment reports on the performance of IGR structures at Provincial and District levels compiled	None	None
Number of frameworks on relations between Provincial, District and Local Speakers developed	-	-	-	1 Framework on relations between Provincial, District and Local Speakers developed	Achieved 1 Framework on relations between Provincial, District and Local Speakers developed	None	None
Number of proposals on the establishment of Metropolitan municipalities submitted to MDB	-	-	20 Municipalities established in the Province	1 Proposal on the establishment of 3 Metropolitan municipalities submitted to MDB	Not Achieved	No proposal submitted on the establishment of the 3 metropolitan municipalities in the Province	The process on the proposal of the establishment of 3 metropolitan municipalities in the Province suspended as per the resolution of the MDB for a period up to 2021.

Programme: Local Governance Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported on the functionality of Ward Committees	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 compiled	17 Municipalities supported on the functionality of Ward Committees	Achieved 17 Municipalities supported on the functionality of Ward Committees	None	None
Number of municipalities guided to implement public participation programmes	-	-	-	17 Municipalities guided to implement public participation programmes	Achieved 17 municipalities guided to implement public participation programmes	None	None
Number of public participation models developed	-	-	-	1 Public participation model developed	Achieved 1 Public participation model developed	None	None
Number of municipalities supported on early warning interventions	-	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	17 Municipalities supported on early warning interventions	Achieved 17 Municipalities supported on early warning interventions	None	None
Number of municipalities supported on the functionality of OVS War rooms	-	-	17 Municipalities supported on the functionality of OVS War rooms	17 Municipalities supported on the functionality of OVS War rooms	Achieved 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 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Ward Committees supported on implementation of Ward Operational Plans	392 Ward Operational Plans reviewed 10 Ward Operational Plans developed and implemented	402 Ward Committees supported on the implementation of Ward Operational Plans	137 Ward Committees supported on the implementation of Ward Operational Plans	400 Ward Committees supported on implementation of Ward Operational Plans	Achieved 400 Ward Committees supported on the implementation of Ward Operational Plans	None	None
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	17 Municipalities supported on the development of ward level database with community concerns and remedial actions produced	Achieved 17 Municipalities supported on the development of ward level database with community concerns and remedial actions produced	None	None

Programme: Local Governance Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
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 compiled	3 Reports on the number of community report back meetings convened by Councillors in each ward	Achieved 3 Reports on the number of community report back meetings convened by Councillors in each ward compiled	None	None

Programme: Local Governance Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities monitored on submission of WSPs	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 WSPs and a report compiled on implementation	20 Municipalities monitored on submission of WSPs	Achieved 20 Municipalities monitored on submission and implementation of WSPs	None	None

Sector Specific Performance Indicator

Programme: Local Governance Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of capacity building interventions conducted in municipalities	6 Municipalities supported with development of integrated capacity building plans (Thaba Chweu, Bushbuckridge, Mkhondo, Dr JS Moroka, Msukaligwa and Thembeisile Hani)	2 Capacity building interventions on Infrastructure Asset Management and Waste Water Treatment Plant Trainings conducted in Municipalities	2 Capacity building interventions conducted in Municipalities (1 for Municipal Officials on GCC2015 and 1 for Municipal Public Account Committees)	1 Capacity building intervention conducted in Municipalities	Achieved 5 Capacity building interventions conducted in Municipalities (Local Economic Development; Waste Water Process Controllers; SPLUMA for Spatial Development Planning; Research Methodology and Advance Water Treatment Plant)	4 additional capacity building interventions	SPLUMA and Advance treatment was funded by MISA, Waste water treatment and Research methodology was the request received from municipalities

Programme: Local Governance Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of municipal performance review sessions conducted	21 Municipalities complied with the submission of annual and oversight reports	2 Municipal Performance Review Sessions conducted (1st Quarter and Mid-term)	2 Municipal Performance Review Sessions conducted (1st Quarter and Mid-term)	1 Municipal performance review sessions conducted	Achieved Midyear Municipal performance review sessions conducted	None	None

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported to align SDBIP with IDP	-	-	-	4 Municipalities supported to align SDBIP with IDP	Achieved 4 Municipalities supported to align SDBIP with IDP (Nkomazi, Dipaleseng, Msukaligwa and Emakhazeni)	None	None
Number of Municipalities monitored on the implementation of IMSP	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 compiled	17 Municipalities monitored on the implementation of IMSP	Achieved 17 Municipalities monitored on the implementation of IMSP	None	None

Sector Specific Indicators

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of municipal performance reports compiled as per the requirements of s47 of the MSA	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 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	Achieved 1 Municipal performance report as per the requirements of Section 47 of the MSA compiled	None	None
Number of Municipalities supported to institutionalize Performance Management System (PMS)	21 Municipalities with functional Performance Management System (PMS)	4 Municipalities supported to institutionalize performance management system (PMS) (Nkomazi, Thaba Chweu, Dipaleseng and Emakhazeni)	11 Municipalities supported to institutionalize performance management system (PMS) (Dr Pixley Ka Isaka Seme, Msukaligwa, Dipaleseng, Lekwa, Emalahleni, Dr JS Moroka, Emakhazeni, Victor Khanye, Bushbuckridge, Thaba Chweu and Nkomazi)	13 Municipalities supported to institutionalize performance management system (PMS)	Achieved 13 Municipalities supported to institutionalize performance management system (PMS) (Lekwa, Msukaligwa, Dr Pixley ka Isaka Seme, Steve Tshwete, Dipaleseng, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Bushbuckridge, Thaba Chweu and Nkomazi)	None	None
Report on implementation of Back to Basics support plans by municipalities	-	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	4 Reports on implementation of Back to Basics support plans by municipalities	Achieved 4 Reports on implementation of Back to Basics support plans by municipalities compiled	None	None

Programme: Local Governance Sub-programme: Service Delivery Improvement Unit (Provincial Priority)							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of TSCs monitored on functionality	1 TSC established (Adelaide Tambo) in Steve Tshwete local municipality	1 TSC established (Doornkop Thusong Service Centre)	Establishment of 3 TSCs facilitated (Emoyeni & Dayizenza Malls – The Department is in the process of lobbying Sector Departments to occupy space, and in Umjindi Trust)	23 TSCs monitored on functionality	Achieved 23 TSCs monitored on functionality (Mbangwane, Mpuluzi, Moremela, Matsamo, Siyathemba, Xhimungwe, Casteel, Tholulwazi, Ogies, Adelaide Tambo, Doornkop, Wonderfontein, Breyten, Klarinet, Louisville, Marapyane, Sakhile, Verena, Morggenzon, Driefontein, Thuthukani, Daggakraal and Mashishing)	None	None
Number of Mobile Outreach programmes on government services and information facilitated in the Province	4 Outreach Programmes facilitated in the 3 Districts	9 Mobile Unit Outreach programmes facilitated in local municipalities (Msukaligwa, Emakhazeni, 2X Nkomazi, Thembisile Hani, 2X Thaba Chweu, Chief Albert Luthuli and Dr JS Moroka)	17 Mobile Unit Outreach programmes facilitated in 9 Local municipalities (2 X Nkomazi, Chief Albert Luthuli, 2 X Dipaleseng, Govan Mbeki, Msukaligwa, Thaba Chweu, 2 X Bushbuckridge, Emalahleni and Dr JS Moroka Local Municipalities)	8 Mobile Outreach Programmes facilitated in the Province	Achieved 8 Mobile Outreach Programmes facilitated in the Province (Nkomazi in Steenbok; Thaba Chweu in Lerero, Msukaligwa in Wesselton, Dr JS Moroka, Bushbuckridge in Zoeknog Ga moripa, Steve Tshwete in Sikhululiwe Village; Dipaleseng in Greylingstad and Chief Albert Luthuli in Bettysgoed)	None	None
Number of monitoring reports on the implementation of the referred interventions on Community Satisfaction Survey Outcome	-	Community satisfactory survey conducted in the 3 Districts	4 monitoring reports on Community Satisfaction survey outcome referred for intervention compiled	4 Monitoring reports on the implementation of the referred interventions on Community Satisfaction Survey Outcome	Achieved 4 Monitoring reports on the implementation of the referred interventions on Community Satisfaction Survey Outcome compiled	None	None
Number of municipalities supported to institutionalise Batho Pele	5 Municipalities institutionalized Batho Pele	4 Municipalities institutionalized Batho Pele (Thaba Chweu, Nkomazi, Govan Mbeki and Dr JS Moroka LM)	5 Municipalities institutionalized Batho Pele (Msukaligwa, Bushbuckridge, Chief Albert Luthuli, Dipaleseng and Steve Tshwete)	6 Municipalities supported to institutionalise Batho Pele	Achieved 6 Municipalities supported to institutionalise Batho Pele (Emalahleni, Victor Khanye, Mkhondo, Dr Pixley Ka Isaka Seme, Lekwa and City of Mbombela)	None	None

Reasons for deviations

- No proposal submitted on the establishment of the 3 metropolitan municipalities in the Province. The process on the proposal of the establishment of 3 metropolitan municipalities in the Province suspended as per the resolution of the MDB for a period up to 2021.
- 4 Additional capacity building interventions conducted SPLUMA and Advance treatment was funded by MISA, Waste water treatment and Research methodology was the request received from municipalities

Strategy to overcome areas of under performance

- The process of the proposal of the establishment of 3 Metropolitan Municipalities in the Province will commence after 2020/21 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 budget for the programme has increased 0.9 percent or R 1.603 million from R 172.087 million in 2016/17 compared to R 173.690 million in 2017/18. This is mainly due to the salary increments for the programme that takes the biggest share of the Compensation of Employees budget. The programme received a special allocation of R 5.0 million for the Audit Outcomes Improvement Plan for Local Municipalities within the Province. The programme has managed to spend 100 percent of the final budget and all planned targets except for one, were achieved.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	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	1 743	1 741	2	2 356	2 354	2
Municipal Administration	13 401	13 399	2	8 038	8 037	1
Municipal Finance	-	-	-	-	-	-
Public participation	151 730	151 730	-	147 405	147 408	(3)
Capacity Development	3 309	3 306	3	6 827	6 825	2
Municipal Performance Reporting and Evaluation	3 507	3 504	3	7 461	7 458	3
Total	173 690	173 680	10	172 087	172 082	5

4.3 Programme 3: Development and Planning

Purpose of the Programme

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

List of the sub-programmes

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

Strategic objectives for the financial year under review

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

Strategic objectives, performance indicators, planned targets and actual

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

Strategic objectives:

Programme Name: DEVELOPMENT AND PLANNING					
Strategic objectives	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
To facilitate and coordinate integrated planning 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)	12 Municipalities with integrated development plans for sustainable infrastructure development and service delivery	Achieved 12 Municipalities with integrated development plans for sustainable infrastructure development and service delivery (Dipaleseng, Msukaligwa, City of Mbombela, Victor Khanye, Chief Albert Luthuli, Lekwa, Nkomazi, Govan Mbeki, Ehlanzeni, Mkhondo, Bushbuckridge, and Thaba Chweu)	None	None

Reasons for deviations

- None

Performance indicators

Programme: Development and Planning Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities monitored on the IDP review process	-	-	21 Municipalities supported with the development of legal compliant IDPs	20 Municipalities monitored on the IDP review process	Achieved 20 Municipalities monitored on the IDP review process	None	None
Number of Municipalities supported on performance planning within IDPs	-	-	4 Reports in the implementation of Municipal IDPs through SDBIPs compiled	20 Municipalities supported on performance planning within IDPs	Achieved 20 Municipalities supported on performance planning within IDPs	None	None

Sector Specific indicator

Programme: Development and Planning Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported with development of legally compliant IDPs	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	20 Municipalities supported with the development of legally compliant IDPs	Achieved 20 Municipalities supported with the development of legally compliant IDPs	None	None

Programme: Development and Planning Sub-programme: Spatial Planning							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities assessed on 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	20 Municipalities assessed on the implementation of SDFs	Achieved 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	20 Municipalities supported on GIS	Achieved 20 Municipalities supported on GIS	None	None

Sector Specific Indicator

Programme: Development and Planning Sub-programme: Spatial Planning							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	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	20 Municipalities supported with the implementation of SPLUMA	Achieved 20 Municipalities supported with the implementation of SPLUMA	None	None

Programme: Development and Planning Sub-programme: Land Use Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of development applications evaluated for comments	166 Development applications complied with policy frameworks	111 Development applications evaluated	65 Development applications evaluated for comments	40 Development applications evaluated for comments	Achieved 55 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 processes	2 Settlements supported with tenure upgrading	Achieved 2 Settlements supported with tenure upgrading	None	None
Number of Township establishment projects	6 Municipalities supported with Township establishments (Thembisile Hani, Dr JS mororka, Govan Mbeki, Emalahleni, Nkomazi and Thaba Chweu)	-	2 Township establishment projects at application submission stage (Dr JS Moroka and Thembisile Hani)	2 Township establishment projects at approved general plan stage	Achieved 2 Township establishment projects at approved general plan 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	258 Survey services rendered	200 survey services rendered in the Province	Achieved 302 Survey services rendered	102 Additional survey services rendered	More requests for surveying services received
Number of Municipalities supported with site identification for the development of social facilities	-	4 Assessment reports on town planning for integrated human settlement projects compiled	4 Assessment reports on town planning for integrated human settlement projects compiled	17 Municipalities supported with site identification for the development of social facilities	Achieved 17 Municipalities supported with site identification for the development of social facilities	None	None

Programme: Development and Planning Sub-programme: Land Use Management							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of municipalities supported in the implementation of SPLUMA on LUM	18 Municipalities implementing LUMS	18 Municipalities supported on the alignment of LUS with SPLUMA	17 Municipalities supported in the implementation of SPLUMA on LUM	19 Municipalities supported in the implementation of SPLUMA on LUM	Achieved 19 Municipalities supported in the implementation of SPLUMA on LUM (Dipaleseng, City of Mbombela, Dr JS Moroka, Chief Albert Luthuli, Thembisile Hani, Mkhondo, Victor Khanye, Lekwa, Thaba Chweu; Msukaligwa, Govan Mbeki, Emalaheni, Emakhazeni, Bushbuckridge, Steve Tshwete, Pixley Ka Isaka Seme, Nkangala District, Ehlanzeni District and Gert Sibande District)	None	None

Programme: Development and Planning Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of municipalities monitored on the functionality of LED Stakeholder Forums	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 the LED Stakeholder Forums	20 municipalities monitored on the functionality of LED Stakeholder Forums	Achieved 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	135 Work opportunities created through Youth Waste Management project	93 work opportunities created through Youth Waste Management project	Achieved 130 Work opportunities created through Youth Waste Management project	37 Additional work opportunities created	Incentive Grant allocated catered for the recruitment of additional participants

Sector Specific Indicators

Programme: Development and Planning Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported to implement Local Economic Development projects in line with updated 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 Ka Isaka Seme, Dipaleseng, Chief Albert Luthuli, Mkhondo, Govan Mbeki, Lekwa, Umjindi, Mbombela, Stev Tshwete, Dr JS Moroka, Thembisile Hani and Emalahleni)	9 Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies. (Bushbuckridge, Thaba Chweu, Dr Pixley Ka Isaka Seme, Dipaliseng, Chief Albert Luthuli, Nkomazi, Steve Tshwete, Dr JS Moroka, and Emalahleni)	6 Municipalities supported to implement Local Economic Development projects in line with updated municipal LED strategies	Achieved 6 Municipalities supported to implement Local Economic Development catalytic projects in line with municipal LED strategies. (Bushbuckridge, Thaba Chweu, Dr Pixley Ka Isaka Seme, Lekwa, Victor Khanye and Emalahleni)	None	None
Number of Municipalities supported to implement the Red Tape reduction programme	-	4 Municipalities monitored to reduce cost of doing business through the Red Tape intervention (Govan Mbeki, Mbombela, Bushbuckridge and Steve Tshwete)	4 Municipalities supported to implement the Red Tape reduction programme. (Nkomazi, Chief Albert Luthuli, Emalahleni and City of Mbombela)	3 Municipalities supported to implement the Red Tape reduction programme	Achieved 3 Municipalities supported to implement the Red Tape reduction programme. (Emakhazeni; Msukaligwa and City of Mbombela)	None	None
Number of work opportunities maintained through the CWP in municipalities	18 432 Jobs maintained through CWP	23 460 Work opportunities maintained through CWP	26 431 Work opportunities maintained through the CWP in all local municipalities	21 815 work opportunities maintained through the CWP in all local municipalities	Achieved 27 170 Work opportunities maintained through the CWP in all local municipalities	5 355 Additional work opportunities maintained	The additional 5 355 additional work opportunities had to be maintained as more grant was allocated from DCOG

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of PMUs in Municipalities evaluated on MIG performance	18 MIG PMU performance evaluated in Municipalities	18 PMUs in Municipalities evaluated on MIG performance	18 PMUs in municipalities evaluated on MIG performance	17 PMUs in municipalities evaluated on MIG performance	Achieved 17 PMUs in municipalities evaluated on MIG performance	None	None
Number of Municipalities monitored on the implementation of MIG programme	18 Municipalities with 100% registered projects on 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	18 Municipalities monitored on the implementation of MIG projects An expenditure of R1.280 billion (71%) has been reported as at end March 2017	17 Municipalities monitored on the implementation of MIG projects	Achieved 17 Municipalities monitored on the implementation of MIG projects An expenditure of R1.2 billion (66%) of the MIG allocation of R1.9 billion has been reported	None	None
Number of municipalities monitored on 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 compiled	17 Municipalities monitored on households with access to electricity	Achieved 17 Municipalities monitored on households with access to electricity	None	None
Number of municipalities monitored on 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 compiled	17 Municipalities monitored on households with access to refuse removal	Achieved 17 Municipalities monitored on households with access to refuse removal	None	None

Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of municipalities supported with service delivery programmes	-	18 Municipalities supported with service delivery programmes	18 Municipalities supported with service delivery programmes	17 Municipalities supported with service delivery programmes	Achieved 17 Municipalities supported with service delivery programmes	None	None
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, Emakhazeni, Steve Tshwete, Thembisile hani, Victor Khanye, Chief Albert Luthuli, Dipaleseng, Dr Pixley ka Isaka Seme, Govan Mbeki and Lekwa)	18 Municipalities supported to implement indigent policies (FBS)	17 Municipalities supported to implement indigent policies (FBS)	Achieved 17 Municipalities supported to implement indigent policies (FBS)	None	None

Programme: Development and Planning							
Sub-programme: Water Services							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities monitored on 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 compiled	17 Municipalities monitored on households with access to water	Achieved 17 Municipalities monitored on households with access to water	None	None
Number of Municipalities monitored on 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 compiled	17 Municipalities monitored on households with access to sanitation	Achieved 17 Municipalities monitored on households with access to sanitation	None	None
Number of Municipalities monitored on the implementation of "War-on-Leaks" Programme	-	3 Municipalities supported and monitored on the registration of the war on leaks project (Umjindi, Thaba Chweu and Lekwa)	4 Monitoring reports on Municipalities implementing "War-on-Leaks" Programme	6 Municipalities monitored on the implementation of "War-on-Leaks" Programme	Achieved 7 Municipalities monitored on the implementation of "War-on-Leaks" Programme (Bushbuckridge, Chief Albert Luthuli, City of Mbombela, Dr JS Mororka, Emakhazeni, Nkomazi and Thembisile Hani)	1 Additional municipality monitored on the implementation of "War-on-Leaks" Programme	1 Additional municipality was supported on War on Leaks Programme as it was also implementing the programme
Number of Municipalities monitored on the status of WTW	-	4 Reports on Blue Drop Compliance status of WTW by Municipalities compiled	4 Monitoring reports on Blue Drop Compliance status of WTW by Municipalities	17 Municipalities monitored on the status of WTW	Achieved 17 Municipalities monitored on the status of WTW	None	None
Number of Municipalities monitored on the status of WWTW	-	4 Reports on Green Drop Compliance status of WWTW by Municipalities compiled	4 Monitoring reports on Green Drop Compliance status of WWTW by Municipalities	17 Municipalities monitored on the status of WWTW	Achieved 17 Municipalities monitored on the status of WWTW	None	None

Programme: Development and Planning							
Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported on disaster risk reduction campaigns	18 Awareness campaigns conducted in 18 Local Municipalities	All 18 Municipalities supported on Disaster Risk reduction campaigns	All 17 Municipalities supported on Disaster Risk reduction campaigns	17 Municipalities supported on disaster risk reduction campaigns	Achieved 17 Municipalities supported on Disaster risk reduction campaigns	None	None
Number of reports on disaster incidences and rehabilitation responded to in the Province	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 compiled.	4 Reports on disaster incidences and rehabilitation responded to in the Province	Achieved 4 Reports on disaster incidences and rehabilitation responded to in the Province compiled.	None	None
Number of events supported in the Province	and support provided to Provincial major events)	4 Reports on Provincial events supported compiled.	4 Reports on Provincial events supported compiled	5 Events supported in the Province	Achieved 33 Events supported in the Province	28 Additional events supported in the Province	More request for events to be supported received
Number of Municipalities supported on fire brigade services	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 (Lekwa, Bushbuckridge, Thembisile Hani, Msukaligwa, Nkomazi and Steve Tshwete)	6 Municipalities supported on fire brigade services	Achieved 6 Municipalities supported on fire brigade services (City of Mbombela, Emalaheni, Dr JS Moroka, Govan Mbeki, Chief Albert Luthuli and Mkhondo)	None	None

Sector Specific Indicator

Programme: Development and Planning Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Municipalities supported functional Municipal Disaster Management Centres	-	4 Municipal Disaster Management Centres functional	4 Disaster Management Centres functional	3 Municipalities supported functional Municipal Disaster Management Centres	Achieved 3 Municipalities supported on functional Municipal Disaster Management Centres	None	None

Reasons for deviations

- More development applications received for evaluation
- More requests for surveying services received
- Incentive Grant allocated catered for the recruitment of additional 37 participants on the Youth Waste Management programme
- The additional 5 355 additional work opportunities had to be maintained as more grant was allocated from DCOG
- 1 Additional municipality was supported on War on Leaks Programme as it was also implementing the programme
- More request for events to be supported 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 budget

The final budget for the programme amounts to R 57.208 million and has decreased by 61 percent or R 89.717 million in 2017/18 compared to R 146.925 million in 2016/17. This is due to the once off allocations for Disaster Relief Materials, the Electrification of Households Project and the construction of the Dipaleseng Municipal Offices Project during 2016/17. 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	2017/2018			2016/2017		
	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	1 490	1 489	1	1 479	1 477	2
Strategy Development, Research and Policy (IDP)	2 165	2 164	1	2 899	2 895	4
Spatial Planning	5 380	5 377	3	5 023	5 019	4
Land Use Management	13 468	13 465	3	15 140	15 133	7
Local Economic Development	7 210	7 206	4	7 615	7 630	(15)
Municipal Infrastructure	19 918	19 916	2	78 435	78 431	4
Water Services						
Disaster Management	7 577	7 576	1	36 334	36 329	5
Total	57 208	57 193	15	146 925	146 914	11

4.4 Programme 4: Traditional Institutional Management

Purpose of the Programme

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

List of the sub-programmes

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

Strategic objectives for the financial year under review

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

Strategic objectives, performance indicators, planned targets and actual achievements

In order to strengthen the institution of Traditional leadership to promote and contribute to service delivery, socio economic development, nation building, moral regeneration and preservation of culture within their jurisdiction, the Department monitored the functionality 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 INSTITUTIONAL MANAGEMENT					
Strategic objectives	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Strengthen the institution of Traditional Leadership to promote and contribute to service delivery, socio economic development, nation building, moral regeneration and preservation of culture within their jurisdiction	40 Traditional Councils functional	49 Traditional Councils functional	Achieved 49 Traditional Councils functional	None	None
	2 Kings' Council functional (Makhosonke and Mabhoko)	2 functional King's Council	Achieved 2 functional Kings' Council (Makhosonke and Mabhoko)	None	None

Reason for deviations

There were no deviations made.

Performance indicators

Programme: Traditional Institutional Management Sub-programme: Traditional Institutional Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Capacity building programmes implemented for Traditional Councils in the 3 Districts (Financial Management and Control System; Traditional Protocol and Etiquettes; Land Use Management)	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 (Socio Economic and Financial Management) in 3 Districts conducted	3 Capacity building programmes implemented for Traditional Councils	Achieved 3 Capacity building programmes implemented for Traditional Councils (Tractor Operators; Legislative Procedures on appointment and removal of headmen and Financial Management) in 3 Districts conducted	None	None

Programme: Traditional Institutional Management Sub-programme: Traditional Institutional Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Traditional leadership complaints finalized within 2 months after the date of receipt	100% claims and successions investigated (Giba and Moukangwe)	6 Traditional communities' disputes processed within 90 days of receipt	6 Complaints finalized within 2 months after the date of receipt	6 Traditional leadership complaints finalized within 2 months after the date of receipt	Achieved 6 Traditional leadership complaints finalized within 2 months after the date of receipt	None	None
Number of TCs / Kings Councils supported on sound financial management	58 Traditional Councils with functional administrations	60 TCs with Financial Management Systems	60 TCs with sound Financial Management implemented	60 TCs / Kings Councils supported on sound financial management	Achieved 60 TCs / Kings Councils supported on sound financial management	None	None

Programme: Traditional Institutional Management Sub-programme: Traditional Resource Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of tools of trade provided to Traditional Councils	-	1 Tool of trade provided to Traditional Councils (procurement of vehicles)	1 Tool of trade provided to Traditional Councils (Tractors)	1 Tool of trade provided to 33 Traditional Councils	Achieved 3 Tools of trade provided to Traditional Councils (16 Farming Tractors for 16 TCs; 4 Farming implements to 60 TCs and Office furniture to 5 TCs- Gutshwa; Msogwaba; Masoyi; Mbuyane and Lomshiyoy)	2 Additional Tools of trade provided to TCs (Farming implements and Office furniture)	Additional funding was provided to procure farming implements and the Department disposed its existing office furniture and IT equipment to TCs in a form of transfer
Number of Traditional / Kings Councils supported on the holding of cultural ceremonies	-	-	-	60 Traditional / Kings Councils supported on the holding of cultural ceremonies	Achieved 60 Traditional / Kings Councils supported on the holding of cultural ceremonies	None	None

Programme: Traditional Institutional Management Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Traditional Leaders in 3 Districts mobilized to participate in Municipal Councils	All 3 District Traditional Leaders participating in Municipal Councils	2 District Traditional Leaders mobilized to participate in Municipal Councils	22 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	25 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	Achieved 25 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	None	None
Number of TCs which made written submissions into municipal IDP processes	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	51 TCs which made written submissions into municipal IDP processes	Achieved 51 TCs which made written submissions into municipal IDP processes	None	None

Programme: Traditional Institutional Management Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Traditional Councils mobilised to participate in Ward Committees	-	-	15 Traditional Councils mobilised to participate in Ward Committees (Gutshwa, Moreipuso, Mbuyane, Nkambeni, Masoyi, Embhuleni, Mantjolo, Enikwakuyengwa, Madabukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Mabusa, Kgarudi, Mogane and KwaNdwalaza)	25 Traditional Councils mobilised to participate in Ward Committees	Achieved 25 Traditional Councils mobilised to participate in Ward Committees (Mathibela, Lomshiyo, Mhlaba, Mlambo, Kgarudi, Hhoyi, Matsamo, Ndlela, Ebutsini, Embhuleni, Somcuba Bhevula, Mandlamakhulu, Enikwakuyengwa, Mantjolo, Manala Mgibe, Ndzundza Mabhoko, Ndzundza Pungutsha, Ndzundza Fene, Manala Makerane, Ndzundza Somphalali, Bakgatla Ba Maloka, Barolong Ba Lefifi, Manala Mbongo, Bakgatla Ba Mmakau, Bakgatla Ba Moepi)	None	None
Number of TCs mobilised to participate in OVS war rooms	-	-	15 TCs mobilised to participate in OVS war rooms (KwaNdwalaza, Mahlaphahlapha, Ogenyaneni, Madubukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Somphalali, Bakgatla Ba MMaloka, Bakgatla Ba Mmakau, Ndzundza Mabusa, Masoyi, Msogwaba, Matsamo, Moletele and Malele)	20 TCs mobilised to participate in OVS war rooms	Achieved 20 TCs mobilised to participate in OVS war rooms (Mandlangempisi, Duma, Emfumbeni, Ndlela, Mandlamakhulu, Somcuba Bhevula, Mahlaphahlapha, Madabukela, Ebutsini, Enikwakuyengwa, Manala Makerane, Barolong Ba Lefifi, Bakgatla Ba Makau, Manala Mbongo, Ba Mocha Ba Moepi, Mdluli, Lomshiyo, Mhlaba, Mlambo and Kgarudi)	None	None
Number of Partnership Agreements that exist between Traditional Councils and PPPs (formal or informal)	-	-	4 Partnership Agreements that exist between Traditional Councils and PPPs Formal Partnership Agreements: -Komati Land Forest Limited and Mpsikazi TC - Morning tide investment 254 (Pty) Ltd and Mpsikazi TC Informal Partnership Agreements: -Old Age centre and Msogwaba TC, Samora Camp Lodge and Hoxane TC	2 Partnership Agreements that exist between Traditional Councils and PPPs (formal or informal)	Achieved 3 Partnership Agreements that exist between Traditional Councils and PPPs Formal Partnership Agreements: - Optimprops 90 (Pty) Ltd and Malele TC - Hardware Business. -WIMs plant Hire (Pty) Ltd and MMM Plus Mining Services informal partnership with Mandla Makhulu, Embhuleni, Mantjolo TCs -Samsung Electronic SA (Pty) Ltd in formal partnership with Mpsikazi TC	1 Additional Partnership agreement existing	The additional business partnership was entered into by the Traditional Council and a Private Company

Programme : Traditional Institutional Management Sub-programme: Traditional Land Administration							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Traditional land cases resolved within 2 months of receipt	17 Traditional land cases resolved	18 Traditional land cases resolved	22 Traditional land cases resolved within 2 months of receipt	15 Traditional land cases resolved within 2 months of receipt	Achieved 20 Traditional land cases resolved within 2 months of receipt	5 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 TCs mobilized to participate in spatial planning	-	-	3 District TCs mobilized to participate in land use planning	15 TCs mobilized to participate in spatial planning	Achieved 18 TCs mobilized to participate in spatial planning	3 Additional TCs mobilized to participate in Spatial Planning	3 Additional TCs requested to also be mobilized to participate in Spatial Planning
Number of reports on finalized claims and disputes lodged before 31 March 2015 as per s25(9) of the TLGF Act	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	3 Reports on finalized claims and disputes lodged before 31 March 2015 as per s25(9) of the TLGF Act	Achieved 3 Reports on finalized claims and disputes lodged before 31 March 2015 as per s25(9) of the TLGF Act compiled	None	None

Reasons for deviations

- Additional funding was provided to procure farming implements and the Department disposed its existing office furniture and IT equipment to TCs in a form of transfer
- The additional TCs conducted meetings to discuss issues around their participation and resolved to participate in Municipal Councils
- 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 speedy resolution of Traditional land disputes
- 3 Additional TCs requested to also be mobilized to participate in Spatial Planning

Strategy to overcome areas of under performance

- None

Changes to planned targets

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

Linking performance with budgets

The budget for the programme had decreased by R 7.181 million or 4.6 per cent from R 155.478 million in 2016/17 to R 148.297 million in 2017/18. This decrease is due to the once off allocation for the procurement of Tractors and Farming Implements (tools of Trade) for Traditional Councils, the construction and refurbishment of Traditional Council Offices during the 2016/17 financial year. The programme has managed to spend 100 percent and has managed to achieve all planned targets.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	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
Office Support	1 772	1 771	1	1 701	1 699	2
Traditional Institution Administration	17 522	17 522	-	16 838	16 834	4
Traditional Resource Administration	116 888	116 885	3	114 366	114 350	16
Rural Development Facilitation	9 403	9 273	130	20 077	20 075	2
Traditional Land Administration	2 712	2 710	2	2 496	2 492	2
Total	148 297	148 161	136	155 478	155 450	28

4.5. Programme 5: House of Traditional Leaders

Purpose of the Programme

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

List of the sub-programmes

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

Strategic objective for the financial year under review

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

Strategic objectives:

Programme Name: HOUSE OF TRADITIONAL LEADERS					
Strategic objectives	Actual Achievement 2016/2017	Annual Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	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	Achieved Provincial House of Traditional Leaders is functional and effective	None	None
	Collaboration between 3 Local Houses and Stakeholders increased	Increased collaboration between 3 Local Houses and Stakeholders	Achieved Collaboration between 3 Local Houses and Stakeholders increased	None	None

Reasons for deviations

- None

Performance indicators

Programme: House of Traditional Leaders Sub-programme: Administration of the House of Traditional Leaders Sub-sub programme: Office of the Chairperson							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of matters affecting the business of HTL processed	-	-	-	4 Matters affecting the business of HTL processed	Achieved 4 Matters affecting the business of HTL processed	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 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of oversight reports on provincial health programmes of HIV and AIDS	-	2 Oversight reports on provincial health programmes on health campaigns on HIV and AIDS compiled	1 Oversight report on provincial programmes on health campaigns on HIV and AIDS compiled	1 Oversight report on provincial health programmes of HIV and AIDS	Achieved 1 Oversight report on provincial health programmes of HIV and AIDS	None	None
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	Not Achieved	1 Annual Opening of the House of Traditional Leaders	Achieved 1 Annual Opening of the House of Traditional Leaders held	None	None
Number of approved Research reports on Genealogy	6 Approved Research reports on Genealogy compiled	6 Approved Research Reports on Genealogy compiled	6 Approved Research reports on Genealogy compiled	6 Approved Research reports on Genealogy	Achieved 6 Approved Research reports on Genealogy compiled	None	None
Number of Research services rendered for the HTL	2 Reports on Research services rendered for the HTL compiled	2 reports on Research services rendered for the HTL compiled	2 Reports on Research services rendered for the HTL compiled	2 Research services rendered for the HTL	Achieved 2 Research services rendered for the HTL	None	None
Number of Legal services impacting on the institution of Traditional Leadership rendered	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 compiled	6 Legal services impacting on the institution of Traditional Leadership rendered	Achieved 6 Legal services impacting on the institution of Traditional Leadership rendered	None	None
Number of Outreach programs initiated by the Houses of Traditional Leaders	-	-	1 Outreach programme initiated by the Houses of Traditional Leaders conducted	1 Outreach programme initiated by the Houses of Traditional Leaders conducted	Achieved 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)	10 Initiation schools that comply with relevant legislation (Ingoma Act)	Achieved 10 Initiation schools that comply with relevant legislation (Ingoma Act)	None	None

Programme: House of Traditional Leaders Sub-programme: Committees and Local Houses Sub-sub programme: Provincial Committees							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of Provincial House Committees functional	5 Provincial House Committees functional	5 functional Provincial House Committees	5 functional Provincial House Committees	5 Provincial House Committees functional	Achieved 5 functional Provincial House Committees	None	None

Programme: House of Traditional Leaders Sub-programme: Committees and Local Houses Sub-sub programme: Local Houses							
Performance Indicator	Actual Achievement 2014/2015	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	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 Local Houses functional (Ehlanzeni, Nkangala and Gert Sibande)	3 Functional Local Houses (Ehlanzeni, Nkangala and Gert Sibande)	Achieved 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 compiled	4 Oversight reports on agricultural projects in Traditional communities	Achieved 4 Oversight reports on agricultural projects in Traditional communities compiled	None	None

Reasons for deviations

- None

Strategy to overcome areas of under performance

- None

Changes to planned targets

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

Linking performance with budgets

The final budget for the programme has decreased by R 0.166 million or 0.9 per cent from R 18.458 million in 2016/17 to R18.292 million in 2017/18. This is due to the decrease in the allocation for the 2017 MTEF period for the department. The programme has managed to spend 100 percent of the final allocation and has achieved all the planned targets

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration of HTL	6 352	6 350	2	7 471	7 467	4
Committees and Local Houses of Traditional Leaders	11 940	11 940	-	10 987	10 982	5
Total	18 292	18 290	2	18 458	18 449	9

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 2017 to 31 March 2018.

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
Enikakuyengwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Enkhaba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Gutshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
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
Jongilanga	TC's	Cultural ceremony	Yes	200	200	N/A
		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
Lomshiyo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Lugedlane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
		Refurbishment	Yes	488	488	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
		Refurbishment	Yes	100	100	N/A
Manala	King Council	Annual Commemoration	Yes	300	300	N/A
Manala Mgibe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mandlamakhulu	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mandlangampisi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mantjolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mashilane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A

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
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	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Moletete	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	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
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 Council	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	Administration	Yes	150	150	N/A
Somcuba	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Thabakgolo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
TOTAL TRANSFERS				21 488	21 488	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made

Name of transferee	Type of organization	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Ndzundza Mabhoko	TC	Administration Grant	150	-	Withheld due to non-compliance to sec 38 (j)(i) of the PFMA
		Cultural ceremony	200	-	Not requested
Mpakeni	TC	Cultural ceremony	200	-	Not requested
Siboshwa	TC	Cultural ceremony	200	-	Not requested
TOTALS			750	-	

Transfer payments to Municipalities

The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
None	None	None	None	None	None	None

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 R 2.0 million. An overall amount of R 3.0 million was spent in the year under review with the department adding an additional R 1.0 million. This has resulted in the National Department of Public Works increasing our allocation for 2018/19 to R 2.306 million. The funds were received through the Provincial Treasury. In terms of the condition of the grant, the Department planned to create 93 work opportunities, however the Department managed to create 130 work opportunities.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2017 to 31 March 2018.

Conditional Grant : Expanded Public Works Programme

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme (EPWP)
Expected outputs of the grant	93 work opportunities created
Actual outputs achieved	130 work opportunities created
Amount per amended DORA	R2.000 million
Amount received (R'000)	R2.000 million
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R2.000 million
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	Monthly reports

7. DONOR FUNDS

7.1 Donor Funds Received

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

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

The Department had no infrastructure projects or programmes other than the 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 was practically completed and will be transferred during the 2018/19 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 completed, 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 then moved the project to Lugedlane Traditional Council. The King Makhosonke II refurbishment project is at work-in-progress stage.

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

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

During the year under review the Department incurred an amount of **R 19 263 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	2017 /2018			2016/2017		
	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	3 974	3 844	130	63 580	63 654	(74)
Existing infrastructure assets	-	-	-	-	-	-
- Upgrades and additions	5 051	5 051	-	6 541	6 470	71
- Rehabilitation, renovations and refurbishments	10 367	10 367	-	18 380	18 377	3
- Maintenance and repairs	-	-	-	-	-	-
Total	19 392	19 262	130	88 501	88 501	-

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 and compliance management unit that is headed by an Acting Director and the unit has achieved the following:

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

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

3. FRAUD AND CORRUPTION

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

4. MINIMISING CONFLICT OF INTEREST

The Department implemented several strategies in order to minimise conflict of interest by employees and this include amongst other:

All members of SMS are required to complete financial disclosure forms as prescribed by DPSA at the beginning of each financial year.

The Department has ensured that internal controls are strengthened to minimise conflict of interest in our Supply Chain. During competitive bidding or quotation processes, service providers are required to complete the necessary forms to disclose their interests in terms of employment or relationships with officials employed by the state. They are further also required to disclose as relationships with other businesses. Only suppliers registered on the Central Supplier Database are used as the system automatically verifies against the PERSAL system and also detects involvement in other businesses.

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

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

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

5. CODE OF CONDUCT

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

SCM role players are required to also abide by the SCM code of conduct and annually undertake to sign the code for the specific financial year.

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 reports 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 reviews 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 includes progress on implementation of recommendations.

8. SCOPA RESOLUTION

There was no SCOPA sitting to deliberate on the Department's Annual Report for 2016/17 financial year except for the last meeting which was held on the 21 of November 2017. Some reported progress on the previous resolutions has been resolved and some are unresolved as there was SCOPA sitting on 8 of February 2018.

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
4 of 2005	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 Departments should review their organisational structures.	Yes
4 of 2005	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
4 of 2005	Accruals	3.4.1(i) The Accounting Officer must develop a plan that will ensure that the Department maintains the clean audit.	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/goods have been rendered / delivered.	Yes
4 of 2005		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/goods have been rendered / delivered.	Yes

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
4 of 2005	Fruitless and Wasteful Expenditure	<p>3.6.1.(i) The Accounting Officer must provide proof that the irregular expenditure was reported to the Provincial Treasury and Auditor General as required by Section 38(1)(g) of the PFMA.</p> <p>3.6.1 (ii) The Accounting Officer must develop effective internal control systems and tools to timeously detect and prevent fruitless wasteful, irregular and fruitless expenditure as required by Section 51(1) (b) (ii) of the PFMA.</p> <p>3.6.1 (iii) The Accounting Officer must develop effective measure and systems to prevent fruitless and wasteful expenditure and irregular expenditure from occurring in the Department.</p> <p>3.6.1 (iv) The Accounting Officer must recover the fruitless and wasteful expenditure relating to officials with NO shows hotels.</p>	<p>The Department did not report the fruitless and wasteful expenditure as it was discovered during the audit process, however the Department effected adjustments on the Annual Financial Statements which were subsequently submitted to the Office of the Auditor General and Provincial Treasury in accordance to section 40 of the Public Finance Management Act(PFMA).</p> <p>The Department has developed a checklist and fully implements SBD forms which are used by Supply Chain Management Unit and Expenditure section to prevent unauthorized, Irregular and Fruitless and Wasteful expenditure. The Department has further developed a template for reporting of Unauthorised, Irregular, Fruitless and Wasteful Expenditure on discovery by all officials within the Department.</p> <p>The Department has developed a checklist and fully implements SBD forms which are used by Supply Chain Management Unit and Expenditure section to prevent unauthorized, Irregular and Fruitless and Wasteful expenditure. The Department has further developed a template for reporting of Unauthorised, Irregular, Fruitless and Wasteful Expenditure on discovery by all officials within the Department.</p> <p>The Department has created debts and is currently deducting all NO show fees from the affected officials.</p>	Yes
4 of 2005	Irregular Expenditure	<p>3.7.1.(i) The Accounting officer must provide the Committee with proof that disciplinary actions was taken against the official and that money was recovered as required by section 38(1) (c) of the PFMA</p> <p>3.7.1.(ii) Accounting Officer must prove that the irregular expenditure amounting to R836 000 was timely reported to Treasury.</p> <p>3.7.1(iii) The Accounting Officer must develop effective measures and systems timely recover monies due to the Department as required by Section 38(1) (c) of the PFMA.</p>	<p>The Accounting Officer did take disciplinary actions against the officials and she was demoted for this conduct and subsequently dismissed for other conducts within the Department.</p> <p>Further investigations revealed that there was value for money received by the Department despite the contravention of procurement processes. The Irregular expenditure of R 836,000.00 was never recovered by the Department however condonement was granted by the Provincial Treasury.</p> <p>All monies due to the Department are timeously captured on the financial system (BAS) as debts and respective debtors sign the acknowledgement of debt forms in accordance to the Departmental Policy.</p> <p>Debtors older than 90 days are handed over Legal Section to issue letters of demand and institute legal actions to recover such debts / monies.</p>	Yes
4 of 2005	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	<p>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.</p> <p>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;</p> <p>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.</p>	No
4 of 2005	3.17Progress 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	<p>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.</p> <p>The Department will also provide progress report on the Audit Committee's resolutions on quarterly basis during the sittings.</p> <p>Disciplinary actions will be taken by the accounting officer on officials who fail to comply with such recommendations.</p>	No

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
4 of 2005	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
4 of 2005	3.2 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.	The Department to provide progress report regarding litigations	3.2.1 STEMASHAN SPHEPELO JV vs MEC & HOD: R24 708 000.00 (Counter Claim: R13 249 000.00) (Damages due to repudiation of Agreement by Department) On 09 March 2016 matter postponed to a future date- Plaintiff failed to put matter down for adequate court dates for trial. Await new court date. 3.2.2 AFRICAN GAZA CHURCH vs TIBONELENI PRIMARY SCHOOL, THE MEC, THE MEC FOR EDUCATION & 1 OTHER: R39 000.00 (full claim amount is R78 000.00 but amount will be equally shared with Department of Education)(Damages: Alleged expropriation) The Plaintiff intends to file a Notice to transfer the matter to the High Court. The Department awaits a court date thereof. 3.2.3 SN THWALA (NNO) & 3 OTHERS vs THE MEC & MBOMBELA LOCAL MUNICIPALITY: R944 000.00 (Damages: alleged negligence in the formalisation of Matsulu" "C") Plaintiff filed a Notice of Set Down for trial on 23 April 2018. 3.2.4 MANTELANE CONSTRUCTION CC vs THE MEC, RAND WATER & 1 OTHER: R15 000 000.00 (Breach of Contract) Consulted with counsel on 25 August 2017: The Department in process to amends its Plea.	Yes
4 of 2005	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
13 of 2017	3.1 Progress Report On The Implementation Of House Resolutions 2015/16 Financial Year	The Accounting Officer must provide a report on progress made in settling the outstanding accruals amounting R1 390 000.00	The accruals of R 1 390 000 which relate to contractual obligations invoices were settled within the allocated budget and will not have a negative impact on the implementation of APP for 2016/17 financial year.	No, Ongoing
13 of 2017	3.2 Progress Report On The Implementation Of House Resolutions 2015/16 Financial Year	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, Ongoing
13 of 2017	3.2 Progress Report On The Implementation Of House Resolutions 2015/16 Financial Year	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. To date the Department managed to reduce the litigations by R 30.449 million from R 57.891 million in 2015/16 financial year to R 27.442 million by the end of September 2017.	No, Ongoing
13 of 2017	3.3 Progress Report On The Implementation Of House Resolutions 2015/16 Financial Year	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 has issue a letter to the Premier's Office to request the Presidency to expedite the investigation of the Water for All Flagship Projects and subsequently submit a report to the Province / Department for consideration of the recommendations.	No, Ongoing

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department had no prior modification to audit reports.

10. INTERNAL CONTROL UNIT

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

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1 Internal Audit

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

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

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

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

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

The shared Internal Audit function operated within an approved Internal Audit Charter and in accordance with the requirements of the PFMA, it's Treasury Regulations and the International Standards for the Professional Practice of Internal Auditing ("Standards") set by the Institute of Internal Auditors. During the year under review, the shared Internal Audit function developed a rolling three-year Strategic Internal Audit Plan and an Annual Internal Audit Coverage/Operational Plan based on the results of the risk assessment. These plans were supported by the Head of the Department and approved by the Audit Committee in May 2017.

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 Auditor General South Africa 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;
- DORA and Transfer Payments;
- Municipal Performance Monitoring, Reporting and Evaluation

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.

Ad-Hoc Reviews

- Staff Verification

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	Role	No of meetings Attended
Ms P Mzizi CA(SA)	BBusSci Finance (UCT) BCompt Hons CTA (UNISA) BCom Hons in Transport Economics (UNISA)	Chairperson External Member Appointed - 01 Feb 2016	9
Adv G Khoza	BProc (UWC) LLB (UWC) HDip in Tax Law (RAU)	External Member Appointed - 01 Feb 2016	8
Mr MS Mthembu	Masters of Business Leadership (UNISA) BCom Accounting (UNISWA) Commercial Banking (IOB)SA, FAP(IAC) SA	External Member Appointed - 01 Feb 2016	8
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	8
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme in Project Management (UNISA)	External Member Appointed – 01 March 2017	9

12. Report of the Audit Committee

We are pleased to present our final report for the financial year ended 31 March 2018.

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 non-timeous submission of Audit Committee minutes at the beginning of the financial year nearly impacted negatively on the effective functioning of the Audit Committee as the Committee could not effectively track the implementation of resolutions taken. The minutes were however, later finalised towards the end of the year.

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.

Assurance services

- Monitoring and tracking of audit findings as previously reported by both Auditor General South Africa 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;
- Transfer Payments and DORA ;
- Municipal Performance, Development, Evaluation and Planning;

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.

Ad-Hoc Reviews

- Staff Verification

The following were areas of concerns:

- Inconsistencies in some of reported performance information;
- Concerns on the number of acting appointments on Senior Management positions;
- Inadequate control processes to monitor Traditional Councils;
- Concern on the audit outcome, of the Municipalities;
- Municipalities continue to implement projects not prioritized in IDPs.

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

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

The Audit Committee noted with concerns that the Internal Audit function remains under-resourced.

The Audit Committee further appreciates improvements made by the Internal Audit, the support provided by the Acting Chief Audit Executive and all the Internal Audit Officials, by assisting the Committee in discharging its responsibilities.

Auditor General South Africa

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

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

The Audit Committee concurs 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 keep improving their audit outcome.

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:



Mr. MS Mthembu

Chairperson of the Audit Committee

Date: 31 July 2018

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 810 employees who are based at head office and in the three districts of the Province. Of the 810 employees, 27 are senior Traditional Leaders/ Izinduna which are accounted for as employees due to the nature of their appointment. These employees are an integral resource of the Department. The Department reviewed its organisational structure however the process is not yet finalised due to the rationalisation process that has been introduced by the Executive Council that needs to be completed before the organisational structure is approved for implementation. Currently the structure as approved in 2012 is being utilised. The Department has critical posts at management level which could not be filled as a result of the moratorium. There are thirteen (13) vacant SMS posts in the Department nine (09) Deputy Directors are acting as Directors. A request to fill the critical and scarce skills position was submitted to the Budget and Finance Committee for approval. The Department will advertise and fill these posts upon approval.

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

- Request to fill in scarce and critical positions. The Department could not fill these posts due to moratorium in the Province. However there are Deputy Directors who are acting as Directors in various Directorates to accelerate service delivery.
- Build Employee Capabilities. The Department has a training programme with accredited skills programmes. Ten (10) Senior Managers were trained on Executive Development Programme (EDP)
- Fifteen (15) officials who are members of the Annual Report Review Committee were trained on Annual Financial Statements to ensure maintenance of clean audit outcomes.
- Create awareness sessions on the implementation of the PMDS Policy. The awareness sessions did not have much impact as the new PMDS policy, which is aligned to the Public Service Regulations 2016 was rejected by Organised Labour.
- Promotion of sound labour relations.

Sessions on the Code of Conduct were conducted by the Labour Relations Unit to minimise cases of misconduct in the Department.

- Monitor the implementation of employee health and wellness.

The Department has developed a plan to manage Employee Health and Wellness. Some of the proactive programmes which were implemented in the Department include: Health screening, Stress Management and Financial Wellness.

- Improvement on records management.

Awareness sessions on the file plan were conducted to promote and ensure correct use of the file plan and encourage proper records keeping and thereby contribute to clean audit outcomes. All documents are recorded accordingly in-line with the file plan and kept in secured lockable cabinets.

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

The Annual Adjusted Human Resource Plan for (2017-18) indicates the required competencies at the relevant performance levels as well as the capacity in terms of positions that the Department requires to fill. 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.

The Department appointed six (6) Interns (former bursary holders) and were attached to the following Directorates three (3) in Water Services one (1) in Municipal Administration, one (1) in Land Use Management and one (1) in IDP

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 which were implemented through the National School of Government (NSG) and the Executive Development Programme implemented through the University of Pretoria. 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 the 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 which is aligned to the Public Service Regulations 2016 was approved but could not be implemented in the 2017/18 financial year. The policy will be implemented in 2018/2019 financial year. This was as a result of organised labour declaring a dispute on the implementation of the policy citing non consultation as a reason.

2.4 Employee Health Wellness Programmes

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

- Employee satisfaction survey was conducted and results presented to Senior Management.
- Exit interviews and staff turnover analysis presented to Senior Management
- Monitored signing of attendance registers, conducted leave audit and presented findings to Senior Management
- Appointed 6 interns on Internship programme which were former Bursary Holders.
- Hosted 8 Learners doing experiential training in Management Accounting and Land Use Management Directorates.
- Human Resource Plan has been reviewed, approved and submitted to DPSA.
- Presentation of the HR Plan to Management.
- Skills Development Plan compiled and presented to management.
- Developed a training programme and implemented the planned targets.
- Reviewed the Employee Health and Wellness Policies, The two frame works for gender and people with disabilities, approved and submitted to DPSA.
- Improvement on MPAT results.

2.6 Challenges faced by the Department

- Inadequate competencies and expertise to provide the required support to municipalities
- Lack of compliance on performance management by employees and managers
- Meeting the Employment Equity Targets.
- Failure to appoint Interns which is 5% of the establishment of the Department due to inadequate funding.
- Inability to fill critical vacancies due to the moratorium.

2.7 Future HR Plans

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

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

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 2017 and 31 March 2018

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)	Employment
ADMINISTRATION	117 541	74 235	853	0	14%	508	146
LOCAL GOVERNANCE	173 680	164 260	449	0	32%	329	499
DEVELOPMENT & PLANNING	57 193	36 138	0	2 075	7%	190	190
THE HOUSE OF TRAD LEADERS	18 290	12 548	0	0	4%	523	24
TRADITIONAL INSTITUTIONAL MANAGEMENT	148 161	85 732	0	0	17%	160	535
Total as on Financial Systems (BAS)	514 865	372 913	1 302	2 075	72%	268	1 394

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

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)	Number of Employees
01 Lower skilled (Levels 1-2)	-	-	-	-	-
02 Skilled (Levels 3-5)	16 795	5%	12	19 824	61
03 Highly skilled production (Levels 6-8)	168 653	45%	121	197 819	540
04 Highly skilled supervision (Levels 9-12)	98 829	27%	71	116 652	148
05 Senior management (Levels 13-16)	23 174	6%	17	27 353	17
11 Contract (Levels 3-5)	634	0%	0	748	2
12 Contract (Levels 6-8)	719	0%	1	5 405	24
13 Contract (Levels 9-12)	4 579	1%	3	2 097	10
14 Contract (Levels 13-16)	1 777	0%	1	2 097	3
18 Contract Other	-	0%	-	-	-
20 Abnormal Appointment	57 753	15%	41	68 168	589
TOTAL	372 913	100%	268	440 164	1 394

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the Period 1 April 2017 and 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Programme (R'000)
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
ADMINISTRATION	68 398	92%	419	1%	2 022	3%	3 396	5%	74 235
LOCAL GOVERNANCE	144 620	88%	-	0%	7 232	4%	12 408	8%	164 260
DEVELOPMENT & PLANNING	34 329	95%	21	0%	642	2%	1 146	3%	36 138
TRADITIONAL INSTITUTIONAL MANAGEMENT	83 430	97%	70	0%	757	1%	1 475	2%	85 732
THE HOUSE OF TRAD LEADERS	11 816	94%	20	0%	267	2%	445	4%	12 548
TOTAL	342 593	92%	530	0%	10 920	3%	18 870	5%	372 913

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid		Total Personnel Cost per Programme (R'000)
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	
02 Skilled (Levels 3-5)	12 515	82%	36	0%	1 037	7%	1 687	11%	15 275
03 Highly skilled production (Levels 6-8)	160 950	88%	263	0%	7 676	4%	13 319	7%	182 208
04 Highly skilled supervision (Levels 9-12)	83 968	94%	226	0%	1 636	2%	3 385	4%	89 215
05 Senior management (Levels 13-16)	20 516	97%	-	0%	465	2%	247	1%	21 228
11 Contract (Levels 3-5)	467	80%	5	1%	30	5%	79	14%	581
12 Contract (Levels 6-8)	571	87%	-	0%	29	4%	56	9%	656
13 Contract (Levels 9-12)	4 234	98%	-	0%	20	0%	48	1%	4 302
14 Contract (Levels 13-16)	1 644	96%	-	0%	27	2%	49	3%	1 720
18 Contract Other	437	100%	-	0%	-	0%	-	0%	437
20 Abnormal Appointment	57 291	100%	-	0%	-	0%	-	0%	57 291
TOTAL	342 593	92%	530	0%	10 920	3%	18 870	5%	372 913

3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programmes on 1 April 2017 and 31 March 2018

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
ADMINISTRATION	155	148	5%	0
LOCAL GOVERNANCE	505	502	1%	0
DEVELOPMENT AND PLANNING	60	58	3%	1
TRADITIONAL INSTITUTION MANAGEMENT	78	78	0	0
THE HOUSE OF TRADITIONAL LEADERS	25	24	4%	0
TOTAL	823	810	2%	1

Table 3.2.2 Employment and vacancies by salary band as on 1 April 2017 and 31 March 2018

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	60	60	0	0
03 Highly Skilled Production (Levels 6-8), Permanent	563	563	0	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	152	149	2%	0
05 Senior Management (Levels 13-16), Permanent	29	19	34%	0
09 Other, Permanent	6	6	0	0
11 Contract (Levels 3-5), Permanent	2	2	0	0
12 Contract (Levels 6-8), Permanent	2	2	0	0
13 Contract (Levels 9-12), Permanent	7	7	0	1
14 Contract (Levels 13-16), Permanent	2	2	0	0
TOTAL	823	810	2%	1

Table 3.2.3 Employment and vacancies by critical occupations as on 1 April 2017 and 31 March 2018

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	151	148	2%	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	17	17	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	1
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 & ORGANISAT DEVELOPM & RELATE PROF, Permanent	0	0	0	0
HUMAN RESOURCES CLERKS, Permanent	1	1	0	0
HUMAN RESOURCES RELATED, Permanent	7	7	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	2	2	0	0
MOTOR VEHICLE DRIVERS, Permanent	1	1	0	0
OTHER ADMINISTRATION & RELATED CLERKS AND ORGANISERS, Permanent	466	466	0	0
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	25	25	0	0
OTHER OCCUPATIONS, Permanent	29	29	0	0
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE, Permanent	1	1	0	0
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	0	0	0	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	25	25	0	0
SENIOR MANAGERS, Permanent	26	16	38%	0
TOTAL	823	810	2%	1

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 1 April 2017 and 31 March 2018

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	4	80%	1	20%
Salary Level 13	26	13	50%	13	50%
Total	33	19	58%	14	42%

Table 3.3.2 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	0	0	0%	0	0%
Salary Level 16	0	0	0%	0	0%
Salary Level 15	0	0	0%	0	0%
Salary Level 14	0	0	0%	0	0%
Salary Level 13	0	0	0%	0	0%
Total	0	0	0%	0	0%

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 2017 and 31 March 2018

Reasons for vacancies not advertised within six months

Cabinet resolution on the filling of vacant positions in the Province. Only critical vacant posts are active wherein internal staff are appointed to act.

Reasons for vacancies not filled within six months

Cabinet resolution on the filling of vacant positions in the Province. Only critical vacant posts are active where internal staff are appointed to act.

Table 3.3.4 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018

Reasons for vacancies not advertised within six months

None

Reasons for vacancies not filled within six months

None

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
02 Skilled (Levels 3-5)	60	0	0%	0	0%	0	0%
03 Highly Skilled Production (Levels 6-8)	563	0	0%	0	0%	0	0%
04 Highly Skilled Supervision (Levels 9-12)	149	73	49%	52	71%	0	0%
05 Senior Management Service Band A	13	0	0%	0	0%	0	0%
06 Senior Management Service Band B	5	0	0%	0	0%	0	0%
08 Senior Management Service Band D	1	0	0%	0	0%	0	0%
09 Other	6	0	0%	0	0%	0	0%
11 Contract (Levels 3-5)	2	0	0%	0	0%	0	0%
12 Contract (Levels 6-8)	2	0	0%	0	0%	0	0%
13 Contract (Levels 9-12)	7	0	0%	0	0%	0	0%
14 Contract Band A	2	0	0%	0	0%	0	0%
TOTAL	810	73	9%	52	71%	0	0%

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 2017 and 31 March 2018

Beneficiaries	African	Asian	Coloured	White	Total
Female	23	0	0	0	23
Male	31	0	0	0	31
TOTAL	54	0	0	0	54

Employees with a Disability	0	0	0	0	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 2017 and 31 March 2018

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
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	0	0	0		0
Male	0	0	0		0
Total	0	0	0		0

Employees with a disability	0	0	0	0	0
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Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
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3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
01 Lower Skilled (Levels 1-2) Permanent	0	0	0	0%
02 Skilled (Levels 3-5) Permanent	65	3	4	-2%
03 Highly Skilled Production (Levels 6-8) Permanent	582	0	20	-3%
04 Highly Skilled Supervision (Levels 9-12) Permanent	155	0	4	-3%
05 Senior Management Service Band A Permanent	14	0	0	0%
06 Senior Management Service Band B Permanent	5	0	0	0%
07 Senior Management Service Band C Permanent	1	0	0	0%
08 Senior Management Service Band D Permanent	1	0	1	-100%
09 Other Permanent	5	23	18	100%
11 Contract (Levels 3-5) Permanent	4	0	4	-100%
12 Contract (Levels 6-8) Permanent	2	0	2	-100%
13 Contract (Levels 9-12) Permanent	6	1	4	-50%
14 Contract Band A Permanent	1	0	1	-100%
TOTAL	841	27	58	-4%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
ADMINISTRATIVE RELATED Permanent	148	6	16	-7%
AGRICULTURE RELATED Permanent	4	0	0	0%
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	6	0	0	0%
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS Permanent	3	0	1	-33%
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	18	0	2	-11%
COMMUNICATION AND INFORMATION RELATED Permanent	3	0	0	0%
ENGINEERING SCIENCES RELATED Permanent	1	0	0	0%
ENGINEERS AND RELATED PROFESSIONALS Permanent	3	1	1	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 CLERKS Permanent	1	0	0	0%
HUMAN RESOURCES RELATED Permanent	8	0	1	-13%
INFORMATION TECHNOLOGY RELATED Permanent	17	0	0	0%
LIBRARY MAIL AND RELATED CLERKS Permanent	4	0	0	0%

MESSENGERS PORTERS AND DELIVERERS Permanent	5	2	5	-60%
MOTOR VEHICLE DRIVERS Permanent	1	0	0	0%
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	484	18	27	-2%
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	27	0	0	0%
OTHER OCCUPATIONS Permanent	30	0	1	-3%
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE Permanent	2	0	0	0%
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	28	0	2	-7%
SENIOR MANAGERS Permanent	17	0	1	-6%
TOTAL	841	27	58	-4%

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 2017 and 31 March 2018

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
01 Death, Permanent	8	14%	1%	8	810
02 Resignation, Permanent	11	19%	1%	11	810
03 Expiry of contract, Permanent	22	38%	3%	22	810
06 Discharged due to ill health, Permanent	2	3%	0%	2	810
07 Dismissal-misconduct, Permanent	2	3%	0%	2	810
09 Retirement, Permanent	13	22%	2%	13	810
TOTAL	58	100%	7%	58	810

Table 3.5.4 Granting of Employee Initiated Severance Packages

Category	No of applications received	No of applications referred to the MPESA	No of applications supported by MPESA	No of Packages approved by Department
02 Skilled (Levels 3-5)	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	0	0	0	0
05 Senior Management Service Band A	0	0	0	0
06 Senior Management Service Band B	0	0	0	0
08 Senior Management Service Band D	0	0	0	0
09 Other	0	0	0	0
11 Contract (Levels 3-5)	0	0	0	0
12 Contract (Levels 6-8)	0	0	0	0
13 Contract (Levels 9-12)	0	0	0	0
14 Contract Band A	0	0	0	0
16 Contract Band C	0	0	0	0
TOTAL	0	0	0	0

Table 3.5.5 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employment at Beginning of Period	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	148	53	36%	115	78%
AGRICULTURE RELATED	4	0	0%	4	100%
ARCHITECTS TOWN AND TRAFFIC PLANNERS	6	0	0%	6	100%
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	3	0	0%	2	67%
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	18	0	0%	18	100%
COMMUNICATION AND INFORMATION RELATED	3	0	0%	2	67%
ENGINEERING SCIENCES RELATED	1	0	0%	1	100%
ENGINEERS AND RELATED PROFESSIONALS	3	1	33%	2	67%
FINANCE AND ECONOMICS RELATED	7	0	0%	7	100%
FINANCIAL AND RELATED PROFESSIONALS	10	0	0%	7	70%
FINANCIAL CLERKS AND CREDIT CONTROLLERS	10	0	0%	9	90%
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2	0	0%	2	100%

Occupation	Employment at Beginning of Period	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
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	2	0	0%	0	0%
HUMAN RESOURCES CLERKS	1	0	0%	1	100%
HUMAN RESOURCES RELATED	8	0	0%	5	63%
INFORMATION TECHNOLOGY RELATED	17	0	0%	17	100%
LIBRARY MAIL AND RELATED CLERKS	4	0	0%	4	100%
MESSENGERS PORTERS AND DELIVERERS	5	0	0%	3	60%
MOTOR VEHICLE DRIVERS	1	0	0%	1	100%
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	484	0	0%	442	91%
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	27	0	0%	20	74%
OTHER OCCUPATIONS	30	4	13%	3	10%
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE	2	0	0%	0	0%
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	28	0	0%	27	96%
SENIOR MANAGERS	17	0	0%	16	94%
TOTAL	841	58	7%	714	85%

Table 3.5.6 Promotions by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Employment at Beginning of Period	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
01 Lower Skilled (Levels 1-2), Permanent	8	0	0%	0	0%
02 Skilled (Levels 3-5), Permanent	215	0	0%	64	30%
03 Highly Skilled Production (Levels 6-8), Permanent	458	1	0%	504	110%
04 Highly Skilled Supervision (Levels 9-12), Permanent	128	53	41%	117	91%
05 Senior Management (Levels 13-16), Permanent	15	0	0%	19	127%
09 Other, Permanent	5	4	80%	0	0%
11 Contract (Levels 3-5), Permanent	4	0	0%	2	50%
12 Contract (Levels 6-8), Permanent	4	0	0%	2	50%
13 Contract (Levels 9-12), Permanent	3	0	0%	5	167%
14 Contract (Levels 13-16), Permanent	1	0	0%	1	100%
TOTAL	841	58	7%	714	85%

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 2017 and 31 March 2018

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
02 – PROFESSIONALS	29	1	0	30	3	27	0	0	27	1	61
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	84	1	0	85	2	88	0	0	88	1	176
09 - LABOURERS AND RELATED WORKERS	26	0	0	26	0	22	0	0	22	0	48
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	1	0	0	1	0	0	0	0	0	0	1
04 – CLERKS	229	1	1	231	0	274	0	0	274	1	506
01 - SENIOR OFFICIALS AND MANAGERS	10	0	0	10	0	7	0	0	7	1	18
TOTAL	379	3	1	383	5	418	0	0	418	4	810

	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Employees with disabilities	7	0	0	7	0	3	0	0	3	0	10

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 1 April 2017 and 31 March 2018

Occupational_Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	5	0	0	5	0	1	0	0	1	0	6
02 Senior Management, Permanent	7	0	0	7	0	4	0	0	4	1	12
03 Professionally qualified and experienced specialists and mid-management, Permanent	29	1	0	30	4	27	0	0	27	2	63
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	316	2	1	319	0	332	0	0	332	0	651
05 Semi-skilled and discretionary decision making, Permanent	15	0	0	15	0	44	0	0	44	1	60
07 Not Available, Permanent	3	0	0	3	0	3	0	0	3	0	6
08 Contract (Top Management), Permanent	1	0	0	1	0	0	0	0	0	0	1
09 Contract (Senior Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
10 Contract (Professionally Qualified), Permanent	2	0	0	2	1	3	0	0	3	0	6
11 Contract (Skilled Technical), Permanent	0	0	0	0	0	2	0	0	2	0	2
12 Contract (Semi-Skilled), Permanent	1	0	0	1	0	1	0	0	1	0	2
TOTAL	379	3	1	383	5	418	0	0	418	4	810

Table 3.6.3 Recruitment for the period 1 April 2017 and 31 March 2018

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
07 Not Available, Permanent	3	0	0	3	0	3	0	0	3	0	6
10 Contract (Professionally qualified), Permanent	0	0	0	0	1	0	0	0	0	0	1
12 Contract (Semi-skilled), Permanent	2	0	0	2	0	0	0	0	0	0	2
TOTAL	5	0	0	5	1	3	0	0	3	0	9
Employees with Disability	0	0	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2017 and 31 March 2018 (pay progression)

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
02 Senior Management, Permanent	11	0	0	11	1	5	0	0	5	2	19
03 Professionally qualified and experienced specialists and mid-management, Permanent	67	1	0	68	2	48	0	0	48	1	119
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	230	1	1	232	0	270	0	0	274	0	502
05 Semi-skilled and discretionary decision making, Permanent	17	0	0	17	0	46	0	0	46	1	64
09 Contract (Senior Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
10 Contract (Professionally qualified), Permanent	2	0	0	2	0	3	0	0	3	0	5
11 Contract (Skilled technical), Permanent	0	0	0	0	0	2	0	0	2	0	2
12 Contract (Semi-skilled), Permanent	1	0	0	1	0	1	0	0	1	0	2
TOTAL	328	2	1	331	3	376	0	0	380	4	714
Employees with disabilities	8	0	0	8	0	2	0	0	2	0	10

Table 3.6.5 Terminations for the period 1 April 2017 and 31 March 2018

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
01 Top Management, Permanent	0	0	0	0	0	1	0	0	1	0	1
03 Professionally qualified and experienced specialists and mid-management, Permanent	3	0	0	3	0	1	0	0	1	0	4
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	25	0	0	15	0	3	0	0	3	0	28
05 Semi-skilled and discretionary decision making, Permanent	3	0	0	3	0	1	0	0	1	0	4
07 Not Available, Permanent	3	0	0	3	0	5	0	0	5	0	8
09 Contract (Senior Management), Permanent	0	0	0	0	0	1	0	0	1	0	1
10 Contract (Professionally qualified), Permanent	1	0	0	1	1	2	0	0	2	0	4
11 Contract (Skilled technical), Permanent	0	0	0	0	0	2	0	0	2	0	2
12 Contract (Semi-skilled), Permanent	5	0	0	5	0	1	0	0	1	0	6
TOTAL	40	0	0	30	1	17	0	0	17	0	58
Employees with disabilities	1	0	0	1	0	0	0	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2017 and 31 March 2018

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
FINAL WRITTEN WARNING	1	0	0	1	0	0	0	0	0	0	1
NO OUTCOME	1	0	0	1	0	0	0	0	0	0	1
SUSPENDED WITHOUT PAYMENT	1	0	0	1	0	0	0	0	0	0	1
WRITTEN WARNING	1	0	0	1	0	0	0	0	0	0	1
TOTAL	4	0	0	4	0	0	0	0	0	0	4

Table 3.6.7 Skills development for the period 1 April 2017 and 31 March 2018

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Coloured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	13	0	0	0	1	5	0	0	0	0	19
Professionals	32	0	0	0	0	32	0	0	0	0	64
Technicians and Associate Professionals	64	0	0	0	0	145	0	0	0	0	209
Clerks	0	0	0	0	0	0	0	0	0	0	0
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	2	0	0	0	0	13	0	0	0	0	15
Employees with disabilities	7	0	0	0	0	3	0	0	0	0	10
TOTAL	118	0	0	0	1	198	0	0	0	0	317

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 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 16	1	1	1	100%
Salary Level 15(HOD)	1	1	1	100%
Salary Level 14	5	5	5	100%
Salary Level 13	13	13	13	100%
Total	20	20	20	100%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2017

Reasons
No disciplinary steps taken as SMS members complied

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2017

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 2017 and 31 March 2018

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	293	415	71%	2 838	9 685
African, Male	245	372	66%	3 058	12 481
Asian, Female	0	0	0%	0	0
Asian, Male	0	1	0%	0	0
Coloured, Female	0	0	0%	0	0
Coloured, Male	2	3	67%	22	10 953
Total Blacks, Female	293	415	71%	2 838	9 685
Total Blacks, Male	247	376	66%	3 080	12 469
White, Female	5	4	125%	95	18 908
White, Male	3	5	60%	88	29 336
Employees with a disability	8	10	80%	60	7 441
TOTAL	556	810	69%	6 160	11 078

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 and 31 March 2018

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
02 Skilled (Levels 3-5)	60	61	8%	290	4 835
03 Highly Skilled Production (Levels 6-8)	327	566	71%	2 349	7 183
04 Highly Skilled Supervision (Levels 9-12)	142	149	19%	2 458	17 310
09 Other	0	6	1%	0	0
11 Contract (Levels 3-5)	2	2	0%	10	4 986
12 Contract (Levels 6-8)	2	2	0%	15	7 392
13 Contract (Levels 9-12)	5	6	1%	133	26 595
TOTAL	538	792	100%	5 255	9 767

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 and 31 March 2018

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
FINANCIAL CLERKS AND CREDIT CONTROLLERS	12	10	1%	109	9 071
HUMAN RESOURCES CLERKS	1	1	0%	5	5 452
MESSENGERS PORTERS AND DELIVERERS	3	2	0%	14	4 557
FINANCE AND ECONOMICS RELATED	7	7	1%	139	19 918
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	260	467	32%	1774	6 822
OTHER OCCUPATIONS	4	29	0%	31	7 644
FINANCIAL AND RELATED PROFESSIONALS	9	10	1%	161	17 933
ARCHITECTS TOWN AND TRAFFIC PLANNERS	6	6	1%	154	25 585
ADMINISTRATIVE RELATED	127	148	16%	1907	15 013
COMMUNICATION AND INFORMATION RELATED	3	3	0%	37	12 414
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	25	25	3%	133	5 306
LIBRARY MAIL AND RELATED CLERKS	4	4	0%	22	5 555
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	18	17	2%	75	4 151
HUMAN RESOURCES RELATED	8	7	1%	147	18 372
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0	2	0%	0	0
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2	2	0%	44	22 213
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	2	2	0%	23	11 482
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	26	25	3%	228	8 769
SENIOR MANAGERS	18	16	2%	905	50 286
ENGINEERS AND RELATED PROFESSIONALS	2	3	0%	38	18 995
ENGINEERING SCIENCES RELATED	0	1	0%	0	0
MOTOR VEHICLE DRIVERS	1	1	0%	6	5 701
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE	0	1	0%	0	0
INFORMATION TECHNOLOGY RELATED	14	17	2%	183	13 106
AGRICULTURE RELATED	4	4	0%	25	6 324
TOTAL	556	810	69%	6 160	11 079

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 and 31 March 2018

SMS Band	Number of Beneficiaries	Total Employees	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	13	13	68%	620	47 692	2%	17 139
Band B	5	5	26%	285	57 000	1%	6 938
Band C	0	1	0%	0	0	0%	1 640
Band D	0	0	0%	0	0	0%	1 978
TOTAL	18	19	95%	905	50 278	3%	27 694

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 2017 and 31 March 2018

Salary Band	Employment at Beginning of Period	2016/17				2017/18			
		Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Highly skilled supervision (Levels 9-12)	1	50%	1	50%	0	0	1	1	0
Other	1	50%	1	50%	0	0	1	1	0
TOTAL	2	100%	2	100%	0	0	2	2	0

Table 3.9.2 foreign workers by major occupation for the period 1 April 2017 and 31 March 2018

Major Occupational Class	Employment at Beginning of Period	Percentage of Total at Beginning of Period	Employment at End of Period	Percentage of Total at End of Period	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Other occupations	1	100	1	100	0	0	1	1	0
Professionals and managers	1	100	1	100	0	0	1	1	0
TOTAL	2	100	2	100	0	0	2	2	0

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 2017 and 31 March 2018

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 9-12)	25	100	2	0	13	71	2	25
Contract Other	34	82	5	0	7	11	5	28
Highly skilled production (Levels 6-8)	1 315	95	166	1	8	1 516	166	1 243
Highly skilled supervision (Levels 9-12)	647	84	93	0	7	1 443	93	546
Lower skilled (Levels 1-2)	2	100	1	0	2	1	1	2
Senior management (Levels 13-16)	27	93	4	0	7	100	4	25
Skilled (Levels 3-5)	271	89	42	0	6	217	42	241
TOTAL	2 321	91	313	100	7	3 359	313	2 110

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2017 and 31 March 2018

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
Skilled production (Levels 3-5)	9	0	1	0	9	8	9	1
Highly skilled production (Levels 6-8)	10	0	1	0	10	17	10	1
Highly skilled supervision (Levels 9-12)	73	1	2	1	37	156	73	2
TOTAL	92	1	4	1	23	181	92	4

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 2017 and 31 March 2018

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees who took leave
Contract (Levels 13-16)	31	31	1
Contract (Levels 3-5)	65	33	2
Contract (Levels 6-8)	58	29	2
Contract (Levels 9-12)	152	25	6
Contract Other	85	9	9
Highly skilled production (Levels 6-8)	11 592	31	380
Highly skilled supervision (Levels 9-12)	3 751	45	84
Lower skilled (Levels 1-2)	-	-	-
Senior management (Levels 13-16)	402	22	18
Skilled (Levels 3-5)	1 495	24	63
TOTAL	17 631	31	565

Table 3.10.4 Capped leave for the period 1 April 2017 and 31 March 2018

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees who took Capped leave	Total number of capped leave available at end of period	Number of Employees as at end of period
Contract (Levels 13-16)	-	-	-	-	-	-
Contract (Levels 3-5)	-	-	-	-	-	-
Contract (Levels 6-8)	-	-	-	-	-	-
Contract (Levels 9-12)	-	-	-	-	-	-
Contract Other	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	138	138	138	1	-	1
Senior management (Levels 13-16)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
TOTAL	138	138	138	1	-	1

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 2017 and 31 March 2018

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for current financial year	261	1	261
Current leave payout on termination of service for current financial year	272	10	272
TOTAL	533	11	533

Table 3.10.6 Injury on duty for the period 1 April 2017 and 31 March 2018

Nature of injury on duty	Number	% of Total
Required basic medical attention only	0,00	0,00
Temporary Total Disablement	0,00	0,00
Permanent Disablement	2,00	100%
Fatal	0,00	0,00
TOTAL	2,00	100%

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 HG Shube : Chief Director : Corporate Services
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Department has the Employee health and Wellness unit comprising of three (03) officials. 01 Manager 01 Assistant Manager 01 Administration Officer
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The Department has the 01 Employee Assistant Practitioners responsible for the implementation of the Employee Health and Wellness in workplace based on the four pillars : · HIV/AIDS and TB Management · Wellness Management · Health and productivity Management · SHERQ Management
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		The Department has established the Special Programmes/ Employee Health and Wellness committee appointed by the Head of Department : Committee members are as follows: Ms Nompumelelo Malupe Mr Isaiah Chiloane Ms Keneilwe Letele Ms Happy Nkosi Mr Welcome Themba Mr Musa Mbethe Mr Bheki Simelane Mr Kgomotos Manzini Ms Esther Maluleka Ms Lindiwe Msibi Ms Lindiwe Nxumalo Ms Nancy Matshume Ms Kholiwe Nkambule Ms Phumzile Mali Ms Phumzile Nyoni Mr Johannes Mavuso Ms Smangele Ntuli
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department has the HIV/AIDS and TB Management policy in place which is reviewed annually.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department is guided by the National policy on HIV/AIDS. The Confidentiality Clause applies and the EAP practitioners adhere to the set standards of the Board of the Practitioners.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		The Wellness unit conducts sessions on HIV/AIDS and TB Management to the employees on quarterly basis. Wellness screenings are conducted with the assistance from GEMS and the Department of Health

Question	Yes	No	Details, if yes
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 annually submit the following documents to DPISA <ul style="list-style-type: none"> Employee Health and Wellness System Monitoring tool Integrated Employee Health and Wellness reporting tool Employee Health and Wellness Operational Plans. The Department also submit the reports to the inter-Departmental Employee Health and Wellness forums Quarterly reports are submitted to Mpumalanga Aids Council.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2017 and 31 March 2018

Subject matter	Date
None	

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

Outcomes of disciplinary hearings	Number	Percentage of Total
CORRECTIONAL COUNSELLING	0	0%
VERBAL WARNING	0	0%
WRITTEN WARNING	4	13%
FINAL WRITTEN WARNING	20	67%
SUSPENDED WITHOUT PAYMENT	2	7%
FINE	0	0%
DEMOTION	0	0%
DISMISSAL	2	7%
NOT GUILTY	0	0%
CASE WITHDRAWN	2	7%
TOTAL	30	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018

Type of misconduct	Number	Percentage of Total
VIOLATION OF SECTION 30 OF THE PUBLIC SERVICE ACT	1	20%
ABSENTEEISM	2	40%
ASSAULT	1	20%
ABUSE OF STATE VEHICLE	1	20%
TOTAL	5	100%

Table 3.12.4 Grievances lodged for the period 1 April 2017 and 31 March 2018

TABLE 11.4 - Grievances Lodged		
Number of grievances addressed	Number	Percentage of Total
NUMBER OF GRIEVANCES RESOLVED	15	100%
NUMBER OF GRIEVANCES NOT RESOLVED	0	0%
TOTAL	15	100%

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2017 and 31 March 2018

Disputes	Number	% of Total
NUMBER OF DISPUTES UPHELD	0	0
NUMBER OF DISPUTES DISMISSED	0	0
TOTAL NUMBER OF DISPUTES LODGED	0	0

Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

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 2017 and 31 March 2018

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 2017 and 31 March 2018

Occupational Categories	Gender	Employment	Learner ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	0	7	3	10
Legislators, senior officials and managers	Male	14	0	7	3	10
Professionals	Female	28	0	10	0	10
Professionals	Male	33	0	10	0	10
Technicians and associate professionals	Female	89	0	10	0	10
Technicians and associate professional	Male	86	0	10	0	10
Clerks	Female	275	0	13	0	13
Clerks	Male	231	0	13	0	13
Service and sales workers	Female	0	0	0	0	0
Service and sales workers	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
Skilled agriculture and fishery workers	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
Craft and related trades workers	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
Plant and machine operators and assemblers	Male	1	0	0	0	0
Elementary occupations	Female	22	0	2	2	4
Elementary occupations	Male	26	0	0	0	0
Gender sub totals	Female	419	0	42	5	47
Gender sub totals	Male	391	0	40	3	43
TOTAL		810	0	82	8	90

Table 3.13.2 Training provided for the period 1 April 2017 to 1 April 31 March 2018

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	4	3	7
Legislators, senior officials and managers	Male	14	-	4	3	7
Professionals	Female	28	-	6	3	9
Professionals	Male	33	-	6	3	9
Technicians and associate professionals	Female	89	-	-	-	-
Technicians and associate professional	Male	86	-	-	-	-
Clerks	Female	275	-	4	3	7
Clerks	Male	231	-	4	3	7
Service and sales workers	Female	-	-	-	-	-
Service and sales workers	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
Skilled agriculture and fishery workers	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
Craft and related trades workers	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
Plant and machine operators and assemblers	Male	1	-	-	-	-

Elementary occupations	Female	22	-	-	1	1
Elementary occupations	Male	26	-	-	1	1
Gender sub totals	Female	419	-	14	10	24
Gender sub totals	Male	391	-	14	10	24
TOTAL		810	-	28	20	48

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 2017 to 1 April 31 March 2018

TABLE 14.1 - Injury on Duty		
Nature of injury on duty	Number	% of Total
Required basic medical attention only	0.00	0.00
Temporary Total Disablement	0.00	0.00
Permanent Disablement	2.00	100%
Fatal	0.00	0.00
TOTAL	2.00	100%

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 2017 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 2017 to 1 April 31 March 2018

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 2017 to 1 April 31 March 2018

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 2017 to 1 April 31 March 2018

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

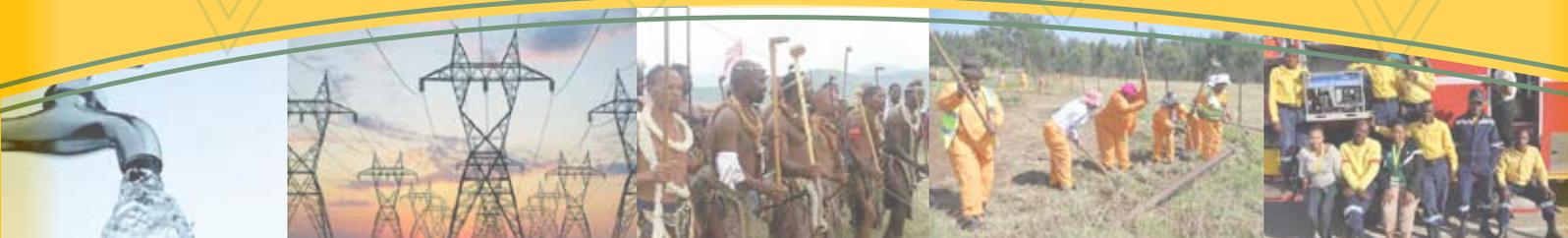
3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 to 31 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 on the audit of the financial statements

Opinion

I have audited the financial statements of the Department of Co-Operative Governance and Traditional Affairs set out on pages 83 to 126, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, 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.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Co-Operative Governance and Traditional Affairs as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.

1. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and 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.
2. 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

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.

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 accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report

Report on the audit of the annual performance report

Introduction and scope

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.

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.

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 2018:

Programmes	Pages in the annual performance report
Programme 2 – local governance	22 – 31
Programme 3 – development and planning	31 – 38
Programme 4 – traditional institution management	39 – 42

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

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

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

Other matters

I draw attention to the matters below.

Achievement of planned targets

Refer to the annual performance report on pages 16 to 49 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

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.

I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report, human resource governance report, executive authority's (member of the executive council's) report, and accounting officer's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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.

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, I conclude that there is a material misstatement in this other information, I am required to report that fact.

I have nothing to report in this regard.

Internal control deficiencies

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

Mbombela

Auditor - General

31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS

For the year ended
31 March 2018



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(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Appropriation per programme									
	2017/18							2016/17	
	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
Programme									
1. Administration	118 042	-	(485)	117 557	117 541	16	100.0%	123 658	122 774
2. Local Governance	176 613	-	(2 923)	173 690	173 680	10	100.0%	172 087	172 082
3. Development and Planning	59 193	-	(1 985)	57 208	57 193	15	100.0%	146 925	146 914
4. Traditional Institutional Management	142 870	-	5 427	148 297	148 161	136	99.9%	155 478	155 450
5 The House of Traditional Leaders	18 326	-	(34)	18 292	18 290	2	100.0%	18 458	18 449
TOTAL	515 044	-	-	515 044	514 865	179	100.0%	616 606	615 669
Statutory Appropriation									
	-	-	-	-	-	-	-	-	-
Members Remuneration	-	-	-	-	-	-	-	-	-
TOTAL	515 044	-	-	515 044	514 865	179	100.0%	616 606	615 669

	2017/18		2016/17	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1 720		2 817	
Actual amounts per statement of financial performance (total revenue)	516 764		619 423	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		514 865		615 669

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Appropriation per economic classification									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	439 799	411	-	440 210	440 163	47	100.0%	467 359	466 441
Compensation of employees	373 078	(155)	-	372 923	372 913	10	100.0%	351 383	351 350
Salaries and wages	323 193	3 014	118	326 325	326 316	9	100.0%	307 311	307 283
Social contributions	49 885	(3 169)	(118)	46 598	46 597	1	100.0%	44 072	44 067
Goods and services	66 721	566	-	67 287	67 250	37	99.9%	115 976	115 091
Administrative fees	694	(145)	-	549	542	7	98.7%	688	681
Advertising	994	(208)	-	786	786	-	100.0%	3 232	3 231
Minor assets	580	(542)	-	38	38	-	100.0%	3 402	3 402
Audit costs: External	3 815	112	-	3 927	3 927	-	100.0%	2 783	2 783
Catering: Departmental activities	2 281	(644)	(34)	1 603	1 594	9	99.4%	6 387	6 387
Communication	6 297	787	5	7 089	7 087	2	100.0%	7 721	7 715
Computer services	141	132	-	273	271	2	99.3%	261	260
Consultants: Business and advisory services	5 848	(222)	-	5 626	5 637	(11)	100.2%	1 802	1 799
Infrastructure and planning services	3 800	(627)	(1 097)	2 076	2 075	1	100.0%	2 382	2 382
Legal services	2 702	(70)	-	2 632	2 632	-	100.0%	7 030	6 199
Contractors	450	(314)	185	321	320	1	99.7%	1 552	1 551
Fleet services	2 721	862	-	3 583	3 583	-	100.0%	3 882	3 872
Inventory: Clothing material and supplies	250	12	-	262	262	-	100.0%	212	211
Inventory: Materials and supplies	-	687	-	687	687	-	100.0%	29 656	29 656
Inventory: Other supplies	-	-	-	-	-	-	-	305	305
Consumable supplies	793	(198)	-	595	594	1	99.8%	2 172	2 170
Consumable: Stationery, printing and office supplies	2 292	(61)	-	2 231	2 230	1	100.0%	2 664	2 665
Operating leases	9 231	1 054	-	10 285	10 285	-	100.0%	10 139	10 139
Property payments	4 500	191	-	4 691	4 691	-	100.0%	4 479	4 479
Travel and subsistence	15 140	1 101	941	17 182	17 177	5	100.0%	18 734	18 720
Training and development	2 411	(1 108)	-	1 303	1 302	1	99.9%	3 588	3 588
Operating payments	1 073	(149)	-	924	909	15	98.4%	1 556	1 551
Venues and facilities	708	(84)	-	624	621	3	99.5%	1 349	1 345
Rental and hiring	-	-	-	-	-	-	-	-	-
Transfers and subsidies	22 265	45	-	22 310	22 309	1	97.2%	21 917	21 903
Provinces and Municipalities	74	(38)	-	36	35	1	97.2%	66	52
Municipalities	74	(38)	-	36	35	1	97.2%	66	52
Municipal agencies and funds	74	(38)	-	36	35	1	-	66	52
Non-profit institutions	21 000	488	-	21 488	21 488	-	100.0%	21 150	21 150
Households	1 191	(405)	-	786	786	-	100.0%	701	701
Social benefits	1 191	(405)	-	786	786	-	100.0%	701	701
Payments for capital assets	52 980	(536)	-	52 444	52 313	131	99.8%	127 097	127 092
Buildings and other fixed structures	19 906	(741)	227	19 392	19 262	130	99.3%	88 506	88 501
Buildings	14 855	(741)	227	14 341	14 211	130	99.1%	34 448	34 446
Other fixed structures	5 051	-	-	5 051	5 051	-	100.0%	54 058	54 055
Machinery and equipment	32 924	355	(227)	33 052	33 051	1	100.0%	38 591	38 591
Transport equipment	3 100	497	-	3 597	3 597	-	100.0%	1 153	1 153
Other machinery and equipment	29 824	(142)	(227)	29 455	29 454	1	100.0%	37 438	37 438
Intangible assets	150	(150)	-	-	-	-	-	-	-
Payments for financial assets	-	80	-	80	80	-	100.0%	233	233
TOTAL	515 044	-	-	515 044	514 865	179	100.0%	616 606	615 669

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

Programme 1

Programme 1: ADMINISTRATION									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	7 358	(382)	-	6 976	6 972	4	99.9%	7 932	7 912
2. Corporate Service	110 684	382	(485)	110 581	110 569	12	100.0%	115 726	114 862
Total for sub programmes	118 042	-	(485)	117 557	117 541	16	100.0%	123 658	122 774
Economic classification	-	-	-	-	-	-	-	-	-
Current payments	115 853	418	(258)	116 013	115 999	14	100.0%	119 206	118 337
Compensation of employees	74 410	86	(258)	74 238	74 235	3	100.0%	70 326	70 300
Salaries and wages	64 289	157	(186)	64 260	64 258	2	100.0%	60 989	60 962
Social contributions	10 121	(71)	(72)	9 978	9 977	1	100.0%	9 337	9 338
Goods and services	41 443	332	-	41 775	41 764	11	100.0%	48 880	48 037
Administrative fees	253	(72)	-	181	179	2	98.9%	225	226
Advertising	864	(130)	-	734	734	-	100.0%	984	983
Minor assets	580	(542)	-	38	38	-	100.0%	1 124	1 124
Audit costs: External	3 815	112	-	3 927	3 927	-	100.0%	2 783	2 783
Catering: Departmental activities	890	(274)	-	616	614	2	99.7%	1 194	1 194
Communication	5 400	713	-	6 113	6 113	-	100.0%	6 568	6 568
Computer services	135	(17)	-	118	117	1	99.2%	102	102
Consultants: Business and advisory services	248	(107)	-	141	153	(12)	108.5%	103	103
Legal services	2 702	(70)	-	2 632	2 632	-	100.0%	5 461	4 632
Contractors	189	(53)	-	136	135	1	99.3%	777	777
Fleet Services	2 721	862	-	3 583	3 583	-	100.0%	3 882	3 872
Consumable supplies	793	(248)	-	545	544	1	99.8%	850	849
Consumable: Stationery, printing and office supplies	2 292	(61)	-	2 231	2 230	1	100.0%	2 664	2 665
Operating leases	9 231	1 054	-	10 285	10 285	-	100.0%	10 139	10 139
Property payments	4 500	191	-	4 691	4 691	-	100.0%	4 479	4 479
Travel and subsistence	4 168	204	-	4 372	4 371	1	100.0%	4 605	4 601
Training and development	1 961	(1 108)	-	853	853	-	100.0%	1 599	1 599
Operating payments	582	(114)	-	468	456	12	97.4%	826	826
Venues and facilities	119	(8)	-	111	109	2	98.2%	515	515
Transfers and subsidies	1 265	(443)	-	822	821	1	99.9%	767	753
Provinces and Municipalities	74	(38)	-	36	35	1	97.2%	66	52
Provinces	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	74	(38)	-	36	35	1	97.2%	66	52
Municipalities	74	(38)	-	36	35	1	97.2%	66	52
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 191	(405)	-	786	786	-	100.0%	701	701
Social benefits	1 191	(405)	-	786	786	-	100.0%	701	701
Payments for capital assets	924	(55)	(227)	642	641	1	99.8%	3 452	3 451
Buildings and other fixed structures	-	-	-	-	-	-	-	274	273
Other fixed structures	-	-	-	-	-	-	-	274	273
Machinery and equipment	924	(55)	(227)	642	641	1	99.8%	3 178	3 178
Transport equipment	-	-	-	-	-	-	-	1 153	1 153
Other Machinery and Equipment	924	(55)	(227)	642	641	1	99.8%	2 025	2 025
Payments for financial assets	-	80	-	80	80	-	100.0%	233	233
TOTAL	118 042	-	(485)	117 557	117 541	16	100.0%	123 658	122 774

1.1 OFFICE OF THE MEC

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	7 358	(382)	-	6 976	6 972	4	99.9%	7 932	7 912
Compensation of employees	5 979	(88)	-	5 891	5 890	1	100.0%	5 752	5 732
Goods and services	1 379	(294)	-	1 085	1 082	3	99.7%	2 180	2 180
TOTAL	7 358	(382)	-	6 976	6 972	4	99.9%	7 932	7 912

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

1.2 CORPORATE SERVICES									
	2017/18							2016/17	
	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	108 495	800	(258)	109 037	109 027	10	100.0%	111 274	110 425
Compensation of employees	68 431	174	(258)	68 347	68 345	2	100.0%	64 574	64 568
Goods and services	40 064	626	-	40 690	40 682	8	100.0%	46 700	45 857
Transfers and subsidies	1 265	(443)	-	822	821	1	99.9%	767	753
Provinces and Municipalities	74	(38)	-	36	35	1	97.2%	66	52
Households	1 191	(405)	-	786	786	-	100.0%	701	701
Payments for capital assets	924	(55)	(227)	642	641	1	99.8%	3 452	3 451
Buildings and other fixed structures	-	-	-	-	-	-	-	274	273
Other Machinery and equipment	924	(55)	(227)	642	641	-	99.8%	2 025	2 025
Transport equipment	-	-	-	-	-	-	-	1 153	1 153
Payments for financial assets	-	80	-	80	80	-	100.0%	233	233
TOTAL	110 684	382	(485)	110 581	110 569	12	100.0%	115 726	114 862

PROGRAMME 2

Programme 2: LOCAL GOVERNANCE									
	2017/18							2016/17	
	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	1 658	85	-	1 743	1 741	2	99.9%	2 356	2 354
2. Municipal Administration	13 304	97	-	13 401	13 399	2	100.0%	8 038	8 037
3. Public Participation	152 763	271	(1 304)	151 730	151 730	-	100.0%	147 405	147 408
4. Capacity Development	4 096	(23)	(764)	3 309	3 306	3	99.9%	6 827	6 825
5. Municipal Performance Monitoring Evaluation	4 792	(430)	(855)	3 507	3 504	3	99.9%	7 461	7 458
Total for sub programmes	176 613	-	(2 923)	173 690	173 680	10	100.0%	172 087	172 082

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2018

Economic classification									
Current payments	176 613	-	(2 923)	173 690	173 680	10	100.0%	172 087	172 082
Compensation of employees	167 591	(406)	(2 923)	164 262	164 261	1	100.0%	153 870	153 866
Salaries and wages	141 558	(1 760)	(2 923)	136 875	136 872	3	100.0%	128 164	128 162
Social contributions	26 033	1 354	-	27 387	27 389	(2)	100.0%	25 706	25 704
Goods and services	9 022	406	-	9 428	9 419	9	99.9%	18 217	18 216
Administrative fees	85	(26)	-	59	57	2	96.6%	94	92
Advertising	-	-	-	-	-	-	-	2 197	2 197
Minor assets	-	-	-	-	-	-	-	2 278	2 278
Catering: Departmental activities	346	(9)	-	337	336	1	99.7%	4 398	4 405
Communication	297	29	-	326	326	-	100.0%	396	396
Consultants: Business and advisory services	5 000	(7)	-	4 993	4 992	1	100.0%	701	700
Contractors	-	-	-	-	-	-	-	590	590
Consumable supplies	-	-	-	-	-	-	-	1 253	1 253
Travel and subsistence	2 588	406	-	2 994	2 992	2	99.9%	3 665	3 663
Training and development	450	-	-	450	449	1	99.8%	1 989	1 989
Operating payments	141	(5)	-	136	135	1	99.3%	199	198
Venues and facilities	115	18	-	133	132	1	99.2%	457	455
Total	176 613	-	(2 923)	173 690	173 680	10	100.0%	172 087	172 082

2.1 OFFICE SUPPORT

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 658	85	-	1 743	1 741	2	99.9%	2 356	2 354
Compensation of employees	1 434	67	-	1 501	1 501	-	100.0%	1 409	1 408
Goods and services	224	18	-	242	240	2	99.2%	947	946
Total	1 658	85	-	1 743	1 741	2	99.9%	2 356	2 354

2.2 MUNICIPAL ADMINISTRATION

Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 304	97	-	13 401	13 399	2	100.0%	8 038	8 037
Compensation of employees	7 732	(88)	-	7 644	7 644	-	100.0%	7 042	7 042
Goods and services	5 572	185	-	5 757	5 755	2	100.0%	996	995
Total	13 304	97	-	13 401	13 399	2	100.0%	8 038	8 037

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

2.3 PUBLIC PARTICIPATION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	152 763	271	(1 304)	151 730	151 730	-	100.0%	147 405	147 408
Compensation of employees	150 748	-	(1 304)	149 444	149 444	-	100.0%	139 751	139 750
Goods and services	2 015	271	-	2 286	2 286	-	100.0%	7 654	7 658
Total	152 763	271	(1 304)	151 730	151 730	-	100.0%	147 405	147 408

2.4 CAPACITY DEVELOPMENT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 096	(23)	(764)	3 309	3 306	3	99.9%	6 827	6 825
Compensation of employees	3 286	-	(764)	2 522	2 522	-	100%	2 370	2 369
Goods and services	810	(23)	-	787	784	3	99.6%	4 457	4 456
Total	4 096	(23)	(764)	3 309	3 306	3	99.9%	6 827	6 825

2.5 MUNICIPAL PERFORMANCE MONITORING AND EVALUATION									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 792	(430)	(855)	3 507	3 504	3	99.9%	7 461	7 458
Compensation of employees	4 391	(385)	(855)	3 151	3 150	1	100.0%	3 298	3 297
Goods and services	401	(45)	-	356	354	2	99.4%	4 163	4 161
Total	4 792	(430)	(855)	3 507	3 504	3	99.9%	7 461	7 458

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

PROGRAMME 3

Programme 3: DEVELOPMENT AND PLANNING									
	2017/18							2016/17	
	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	1 450	40	-	1 490	1 489	1	99.9%	1 479	1 477
2. Spatial Planning	5 737	(146)	(211)	5 380	5 377	3	99.9%	5 023	5 019
3. Land Use Management	15 192	(627)	(1 097)	13 468	13 465	3	100.0%	15 140	15 133
4. Integrated Development and Plan (IDP)	2 216	(51)	-	2 165	2 164	1	100.0%	2 899	2 895
5. Local Economic Development	7 710	78	(578)	7 210	7 206	4	99.9%	7 615	7 630
6. Municipal Infrastructure	19 603	56	259	19 918	19 916	2	100.0%	78 435	78 431
7. Disaster Management	7 285	650	(358)	7 577	7 576	1	100.0%	36 334	36 329
Total for sub programmes	59 193	-	(1 985)	57 208	57 193	15	100.0%	146 925	146 914

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification									
Current payments	45 243	150	(2 576)	42 817	42 802	15	100.0%	74 431	74 423
Compensation of employees	37 675	(110)	(1 423)	36 142	36 138	4	100.0%	36 261	36 276
Salaries and wages	33 648	(138)	(1 377)	32 133	32 131	2	100.0%	32 143	32 159
Social contributions	4 027	28	(46)	4 009	4 007	2	100.0%	4 118	4 117
Goods and services	7 568	260	(1 153)	6 675	6 664	11	99.8%	38 170	38 147
Administrative fees	62	(18)	-	44	41	3	93.2%	71	68
Advertising	50	2	-	52	52	-	100.0%	51	51
Catering: Departmental activities	267	(14)	-	253	251	2	99.2%	372	367
Communication	265	7	-	272	270	2	99.3%	339	336
Computer services	6	149	-	155	154	1	99.4%	159	158
Consultants: Business and advisory services	-	-	-	-	-	-	-	153	151
Infrastructure and planning services	3 800	(627)	(1 097)	2 076	2 075	1	100.0%	2 382	2 382
Legal Services	-	-	-	-	-	-	-	756	755
Inventory: Clothing material and supplies	250	12	-	262	262	-	100.0%	212	211
Inventory: Materials and supplies	-	687	-	687	687	-	100.0%	29 656	29 656
Inventory: Other supplies	-	-	-	-	-	-	-	305	305
Consumable supplies	-	50	-	50	50	-	-	69	68
Travel and subsistence	2 726	8	(56)	2 678	2 677	1	100.0%	3 356	3 351
Operating payments	116	-	-	116	115	1	99.1%	225	224
Venues and facilities	26	4	-	30	30	-	100.0%	64	64
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and Municipalities	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	13 950	(150)	591	14 391	14 391	-	100.0%	72 494	72 491
Buildings and other fixed structures	13 800	-	591	14 391	14 391	-	100.0%	72 494	72 491
Buildings	8 749	-	591	9 340	9 340	-	100.0%	18 710	18 709
Other fixed structures	5 051	-	-	5 051	5 051	-	100.0%	53 784	53 782
Machinery and equipment	-	-	-	-	-	-	-	-	-
Other Machinery and Equipment	-	-	-	-	-	-	-	-	-
Software and other Intangible assets	150	(150)	-	-	-	-	-	-	-
Total	59 193	-	(1 985)	57 208	57 193	15	100.0%	146 925	146 914

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2018

3.1 OFFICE SUPPORT									
	2017/18							2016/17	
	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	1 450	40	-	1 490	1 489	1	99.9%	1 479	1 477
Compensation of employees	1 300	49	-	1 349	1 349	-	100.0%	1 271	1 270
Goods and services	150	(9)	-	141	140	1	99.3%	208	207
Total	1 450	40	-	1 490	1 489	1	99.9%	1 479	1 477

3.2 SPATIAL PLANNING									
	2017/18							2016/17	
	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	5 587	4	(211)	5 380	5 377	3	99.9%	5 023	5 019
Compensation of employees	4 044	4	(155)	3 893	3 893	-	100.0%	3 578	3 577
Goods and services	1 543	-	(56)	1 487	1 484	3	99.8%	1 445	1 442
Payments for Capital assets	150	(150)	-	-	-	-	-	-	-
Total	5 737	(146)	(211)	5 380	5 377	3	99.9%	5 023	5 019

3.3 LAND USE MANAGEMENT									
	2017/18							2016/17	
	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	15 192	(627)	(1 097)	13 468	13 465	3	100.0%	15 140	15 133
Compensation of employees	11 546	(120)	-	11 426	11 425	1	100.0%	11 574	11 573
Goods and services	3 646	(507)	(1 097)	2 042	2 040	2	99.9%	3 566	3 560
Total	15 192	(627)	(1 097)	13 468	13 465	3	100.0%	15 140	15 133

3.4 INTERGRATED DEVELOPMENT AND PLANNING									
	2017/18							2016/17	
	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	2 216	(51)	-	2 165	2 164	1	100.0%	2 899	2 895
Compensation of employees	1 929	(43)	-	1 886	1 885	1	99.9%	2 359	2 358
Goods and services	287	(8)	-	279	279	-	100.0%	540	537
Total	2 216	(51)	-	2 165	2 164	1	100.0%	2 899	2 895

3.5 LOCAL ECONOMIC DEVELOPMENT (LED)									
	2017/18							2016/17	
	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	7 710	78	(578)	7 210	7 206	4	99.9%	7 615	7 630
Compensation of employees	6 971	-	(578)	6 393	6392	1	100.0%	6 690	6 710
Goods and services	739	78	-	817	814	3	99.6%	925	920
Total	7 710	78	(578)	7 210	7 206	4	99.9%	7 615	7 630

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2018

3.6 MUNICIPAL INFRASTRUCTURE									
	2017/18							2016/17	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 803	56	(332)	5 527	5 525	2	100.0%	5 941	5 940
Compensation of employees	5 323	-	(332)	4 991	4 990	1	100.0%	5 133	5 133
Goods and services	480	56	-	536	535	1	99.8%	808	807
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	13 800	-	591	14 391	14 391	-	100.0%	72 494	72 491
Buildings	8 749	-	591	9 340	9 340	-	100.0%	18 710	18 709
Other fixed structures	5 051	-	-	5 051	5 051	-	100.0%	53 784	53 782
Total	19 603	56	259	19 918	19 916	2	100.0%	78 435	78 431

3.7 DISASTER MANAGEMENT									
	2017/18							2016/17	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 285	650	(358)	7 577	7 576	1	100.0%	36 334	36 329
Compensation of employees	6 562	-	(358)	6 204	6 204	-	100.0%	5 656	5 655
Goods and services	723	650	-	1 373	1 372	1	99.9%	30 678	30 674
Total	7 285	650	(358)	7 577	7 576	1	100.0%	36 334	36 329

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2018

PROGRAMME 4

Programme 4 TRADITIONAL INSTITUTIONAL MANAGEMENT									
2017/18								2016/17	
	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	1 689	83	-	1 772	1 771	1	99.9%	1 701	1 699
2. Traditional Institutional Administration	17 700	(1 004)	826	17 522	17 522	-	100.0%	16 838	16 834
3. Traditional Resource Administration	110 362	1 737	4 789	116 888	116 885	3	100.0%	114 366	114 350
4. Rural Development Facilitation	10 445	(741)	(301)	9 403	9 273	130	98.6%	20 077	20 075
5. Traditional Land Administration	2 674	(75)	113	2 712	2 710	2	99.9%	2 496	2 492
Total for sub programmes	142 870	-	5 427	148 297	148 161	136	99.9%	155 478	155 450

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification									
Current payments	83 764	(157)	5 791	89 398	89 392	6	100.0%	83 177	83 150
Compensation of employees	80 955	174	4 604	85 733	85 732	1	100.0%	79 305	79 289
Salaries and wages	72 888	4 594	4 604	82 086	82 084	2	100.0%	75 869	75 856
Social contributions	8 067	(4 420)	-	3 647	3 648	(1)	100.0%	3 436	3 433
Goods and services	2 809	(331)	1 187	3 665	3 660	5	99.9%	3 872	3 861
Administrative fees	85	(31)	-	54	54	-	100.0%	124	121
Catering: Departmental activities	107	(35)	-	72	69	3	95.8%	78	77
Communication	171	(7)	5	169	168	1	99.4%	206	204
Contractors	-	-	185	185	185	-	100.0%	-	-
Travel and subsistence	2 255	(241)	997	3 011	3 011	-	100.0%	3 155	3 153
Operating payments	133	(1)	-	132	131	1	99.2%	207	205
Venues and facilities	58	(16)	-	42	42	-	100.0%	102	101
Transfers and subsidies	21 000	488	-	21 488	21 488	-	100.0%	21 150	21 150
Non-profit institutions	21 000	488	-	21 488	21 488	-	100.0%	21 150	21 150
Payments for capital assets	38 106	(331)	(364)	37 411	37 281	130	99.7%	51 151	51 150
Buildings and other fixed structures	6 106	(741)	(364)	5 001	4 871	130	97.4%	15 738	15 737
Buildings	6 106	(741)	(364)	5 001	4 871	130	97.4%	15 738	15 737
Machinery and equipment	32 000	410	-	32 410	32 410	-	100.0%	35 413	35 413
Transport equipment	3 100	497	-	3 597	3 597	-	100.0%	-	-
Other machinery and equipment	28 900	(87)	-	28 813	28 813	-	100.0%	35 413	35 413
Total	142 870	-	5 427	148 297	148 161	136	99.9%	155 478	155 450

4.1 OFFICE SUPPORT									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 689	83	-	1 772	1 771	1	99.9%	1 701	1 699
Compensation of employees	1 495	52	-	1 547	1 547	-	100.0%	1 446	1 446
Goods and services	194	31	-	225	224	1	99.6%	255	253
TOTAL	1 689	83	-	1 772	1 771	1	99.9%	1 701	1 699

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2018

4.2 TRADITIONAL INSTITUTIONAL ADMINISTRATION

	2017/18							2016/17	
	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	17 700	(1 004)	826	17 522	17 522	-	100.0%	16 838	16 834
Compensation of employees	16 175	(599)	-	15 576	15 576	-	100.0%	14 745	14 745
Goods and services	1 525	(405)	826	1 946	1 946	-	100.0%	2 093	2 089
TOTAL	17 700	(1 004)	826	17 522	17 522	-	100.0%	16 838	16 834

4.3 TRADITIONAL RESOURCE ADMINISTRATION

	2017/18							2016/17	
	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	57 362	839	4 789	62 990	62 987	3	100.0%	57 803	57 787
Compensation of employees	57 132	905	4 604	62 641	62 640	1	100.0%	57 553	57 539
Goods and services	230	(66)	185	349	347	2	99.4%	250	248
Transfers and subsidies	21 000	488	-	21 488	21 488	-	100.0%	21 150	21 150
Non-profit institutions	21 000	488	-	21 488	21 488	-	100.0%	21 150	21 150
Payments for capital assets	32 000	410	-	32 410	32 410	-	100.0%	35 413	35 413
Machinery and Equipment	32 000	410	-	32 410	32 410	-	100.0%	35 413	35 413
TOTAL	110 362	1 737	4 789	116 888	116 885	3	100.0%	114 366	114 350

4.4 RURAL DEVELOPMENT FACILITATION

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 339	-	63	4 402	4 402	-	100.0%	4 339	4 338
Compensation of employees	3 742	(82)	-	3 660	3 660	-	100.0%	3 427	3 427
Goods and services	597	82	63	742	742	-	100.0%	912	911
Payments for capital assets	6 106	(741)	(364)	5 001	4 871	130	97.4%	15 738	15 737
Building and Other fixed structure	6 106	(741)	(364)	5 001	4 871	130	97.4%	15 738	15 737
TOTAL	10 445	(741)	(301)	9 403	9 273	130	98.6%	20 077	20 075

4.5 TRADITIONAL LAND ADMINISTRATION

	2017/18							2016/17	
	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	2 674	(75)	113	2 712	2 710	2	99.9%	2 496	2 492
Compensation of employees	2 411	(102)	-	2 309	2 309	-	100.0%	2 134	2 132
Goods and services	263	27	113	403	401	2	99.5%	362	360
TOTAL	2 674	(75)	113	2 712	2 710	2	99.9%	2 496	2 492

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2018

PROGRAMME 5

Programme 5: THE HOUSE OF TRADITIONAL LEADERS									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Admin House of Traditional House	7 235	(883)	-	6 352	6 350	2	100.0%	7 471	7 467
2. Committees and Local Houses	11 091	883	(34)	11 940	11 940	-	100.0%	10 987	10 982
Total for sub programmes	18 326	-	(34)	18 292	18 290	2	100.0%	18 458	18 449

Economic classification									
Current payments	18 326	-	(34)	18 292	18 290	2	100.0%	18 458	18 449
Compensation of employees	12 447	101	-	12 548	12 547	1	100.0%	11 621	11 619
Salaries and wages	10 810	161	-	10 971	10 971	-	100.0%	10 146	10 144
Social contributions	1 637	(60)	-	1 577	1 576	1	99.9%	1 475	1 475
Goods and services	5 879	(101)	(34)	5 744	5 743	1	100.0%	6 837	6 830
Administrative fees	209	2	-	211	211	-	100.0%	174	174
Advertising	80	(80)	-	-	-	-	-	-	-
Catering :Departmental activities	671	(312)	(34)	325	324	1	99.7%	345	344
Communication	164	45	-	209	210	(1)	100.5%	212	211
Consultants: Business Advisory	600	(108)	-	492	492	-	100.0%	845	845
Legal services	-	-	-	-	-	-	-	813	812
Contractors	261	(261)	-	-	-	-	-	185	184
Travel and subsistence	3 403	724	-	4 127	4 126	1	100.0%	3 953	3 952
Operating payments	101	(29)	-	72	72	-	100.0%	99	98
Venues and facilities	390	(82)	-	308	308	-	100.0%	211	210
Total	18 326	-	(34)	18 292	18 290	2	100.0%	18 458	18 449

5.1 ADMIN HOUSE OF TRADITIONAL LEADERS

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	7 235	(883)	-	6 352	6 350	2	100.0%	7 471	7 467
Compensation of employees	4 687	(216)	-	4 471	4 470	1	100.0%	4 371	4 370
Goods and services	2 548	(667)	-	1 881	1 880	1	99.9%	3 100	3 097
TOTAL	7 235	(883)	-	6 352	6 350	2	100.0%	7 471	7 467

5.2 COMMITTEES AND LOCAL HOUSES

	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 091	883	(34)	11 940	11 940	-	100.0%	10 987	10 982
Compensation of employees	7 760	317	-	8 077	8 077	-	100.0%	7 250	7 249
Goods and services	3 331	566	(34)	3 863	3 863	-	100.0%	3 737	3 733
TOTAL	11 091	883	(34)	11 940	11 940	-	100.0%	10 987	10 982

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
1. ADMINISTRATION	117 557	117 541	16	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
2. LOCAL GOVERNANCE	173 690	173 680	10	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
3. DEVELOPMENT & PLANNING	57 208	57 193	15	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
4. TRADITIONAL INSTITUTIONAL MANAGEMENT	148 297	148 161	136	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
5. THE HOUSE OF TRADITIONAL LEADERS	18 292	18 290	2	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
TOTAL	515 044	514 865	179	0%

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	440 210	440 163	47	0%
Compensation of employees	372 923	372 913	10	0%
Goods and services	67 287	67 250	37	0%
Transfers and subsidies	22 310	22 309	1	0%
Provinces and municipalities	36	35	1	3%
Non-profit institutions	21 488	21 488	-	0%
Households	786	786	-	0%
Payments for capital assets	52 444	52 313	131	0%
Buildings and other fixed structures	19 392	19 262	130	1%
Machinery and equipment	33 052	33 051	1	0%
Payments for financial assets	80	80	-	0%
Payments for Financial assets	80	80	-	0%
GRAND TOTAL	515 044	514 865	179	0%

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2018

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
EPWP GRANT	2 000	2 000	-	0%

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	515 044	616 606
Departmental revenue	2	1 720	2 817
TOTAL REVENUE		516 764	619 423
EXPENDITURE			
Current expenditure			
Compensation of employees	3	372 913	351 350
Goods and services	4	67 250	115 091
Total current expenditure		440 163	466 441
Transfers and subsidies			
Transfers and subsidies	6	22 309	21 903
Total transfers and subsidies		22 309	21 903
Expenditure for capital assets			
Tangible assets	7	52 313	127 092
Total expenditure for capital assets		52 313	127 092
Payments for financial assets	5	80	233
TOTAL EXPENDITURE		514 865	615 669
SURPLUS/(DEFICIT) FOR THE YEAR		1 899	3 754
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		179	937
Annual appropriation		179	937
Conditional grants		-	-
Departmental revenue and NRF Receipts	12	1 720	2 817
SURPLUS/(DEFICIT) FOR THE YEAR		1 899	3 754

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current assets		23 220	25 310
Unauthorised expenditure	<u>8</u>	22 011	22 011
Cash and cash equivalents	<u>9</u>	774	2 334
Receivables	<u>10</u>	435	965
Non-current assets		-	2
Receivables	<u>10</u>	-	2
TOTAL ASSETS		23 220	25 312
LIABILITIES			
Current liabilities		23 167	25 283
Voted funds to be surrendered to the Revenue Fund	<u>11</u>	23 044	23 802
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>12</u>	97	1 286
Payables	<u>13</u>	26	195
Non-current liabilities		-	-
Payables		-	-
TOTAL LIABILITIES		23 167	25 283
NET ASSETS		53	29
	Note	2017/18 R'000	2016/17 R'000
Represented by:			
Recoverable revenue	10.2	53	29
TOTAL		53	29

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2018

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Recoverable revenue			
Opening balance		29	-
Transfers:		24	29
Debts recovered (included in departmental receipts)		(29)	-
Debts raised	<u>10.2</u>	53	29
Closing balance		<u>53</u>	<u>29</u>
TOTAL		<u>53</u>	<u>29</u>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

CASH FLOW STATEMENT

for the year ended 31 March 2018

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		516 514	618 630
Annual appropriated funds received	<u>1.1</u>	515 044	616 606
Departmental revenue received	<u>2</u>	438	598
Interest received	<u>2.2</u>	1 032	1 426
Net (increase)/decrease in working capital		363	(1 109)
Surrendered to Revenue Fund		(3 846)	(2 128)
Current payments		(440 163)	(466 441)
Payments for financial assets	<u>5</u>	(80)	(233)
Transfers and subsidies paid		(22 309)	(21 903)
Net cash flow available from operating activities	14	50 479	126 816
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>7</u>	(52 313)	(127 092)
Proceeds from sale of capital assets	<u>2.3</u>	250	793
Net cash flows from investing activities		(52 063)	(126 299)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		24	29
Net cash flows from financing activities		24	29
Net increase/(decrease) in cash and cash equivalents		(1 560)	546
Cash and cash equivalents at beginning of period		2 334	1 788
Cash and cash equivalents at end of period	9	774	2 334

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

PART A: ACCOUNTING POLICIES

Financial Statement Presentation par .03

Summary of significant accounting policies [Concepts and Principles, Financial Statement Presentation] 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.	
1	Basis of preparation [Financial Statement Presentation] The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern [Financial Statement Presentation] The financial statements have been prepared on a going concern basis.
3	Presentation currency [Financial Statement Presentation] Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding [Financial Statement Presentation] Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation [Cash Flow Statement, Expenditure, Revenue] 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.
6	Comparative information
6.1	Prior period comparative information [Financial Statement Presentation] 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.
6.2	Current year comparison with budget [Appropriation Statement] A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds [Revenue, General Departmental Assets and Liabilities] 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.
7.2	Departmental revenue [Revenue, General Departmental Assets and Liabilities] 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.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

7.3	Accrued departmental revenue [General Departmental Assets and Liabilities] 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
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages [Expenditure] Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions [Expenditure] 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.
8.2	Other expenditure [Expenditure] 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.
8.3	Accruals and payables not recognised [General Departmental Assets and Liabilities] Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases [Leases] 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.
8.4.2	Finance leases [Leases] 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.
9	Aid Assistance
9.1	Aid assistance received [Revenue, General Departmental Assets and Liabilities] 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.
9.2	Aid assistance paid [Expenditure, General Departmental Assets and Liabilities] 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.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

10	Cash and cash equivalents [General Departmental Assets and Liabilities, Cash Flow Statement] 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.
11	Prepayments and advances [General Departmental Assets and Liabilities] 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.>
12	Loans and receivables [General Departmental Assets and Liabilities] 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.
13	Investments [General Departmental Assets and Liabilities] Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) [General Departmental Assets and Liabilities] A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets [General Departmental Assets and Liabilities] 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.
15	Payables [General Departmental Assets and Liabilities] Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets [Capital Assets] Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets [Capital Assets] Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. <i>[Add this sentence on biological assets if the department has elected to revalue its biological assets at reporting date]</i> Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

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16.3	<p>Intangible assets [Capital Assets] Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress [Capital Assets] Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions [Provisions and Contingents] 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.</p>
17.2	<p>Contingent liabilities [Provisions and Contingents] 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.</p>
17.3	<p>Contingent assets [Provisions and Contingents] 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.</p>
17.4	<p>Commitments [Provisions and Contingents] 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.</p>
18	<p>Unauthorised expenditure [General Departmental Assets and Liabilities] 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.</p>
19	<p>Fruitless and wasteful expenditure [General Departmental Assets and Liabilities] 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.</p>

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20	<p>Irregular expenditure [General Departmental Assets and Liabilities]</p> <p>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.</p> <p>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.</p> <p>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.</p>
21	<p>Changes in accounting policies, accounting estimates and errors [Accounting Policies, Estimates and Errors]</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date [Events after the Reporting Date]</p> <p>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.</p>
23	<p>Principal-Agent arrangements [Accounting by Principals and Agents]</p> <p>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.</p>
24	<p>Departures from the MCS requirements [Preface to the Modified Cash Standard]</p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions [Related Party Disclosures]</p> <p>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.</p> <p>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.</p>

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28	Inventories (Effective from date determined in a Treasury Instruction) [Inventories] At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29	Public-Private Partnerships [Financial Statement Presentation] 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.
30	Employee benefits [General Departmental Assets and Liabilities] [Provisions and Contingents] 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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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:

	2017/18			2016/17	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Final Appropriation R'000	Appropriation received R'000
1. Administration	117 557	117 557	-	123 658	123 658
2. Local Governance	173 690	173 690	-	172 087	172 087
3. Development and Planning	57 208	57 208	-	146 925	146 925
4. Traditional Institutional Management	148 297	148 297	-	155 478	155 478
5. The House of Traditional Leaders	18 292	18 292	-	18 458	18 458
Total	515 044	515 044	-	616 606	616 606

1.2 Conditional grants

	Note	2017/18 R'000	2016/17 R'000
Total grants received	30	2 000	2 762

2. Departmental revenue

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services other than capital assets	2.1	353	373
Interest, dividends and rent on land	2.2	1 032	1 426
Sales of capital assets	2.3	250	793
Transactions in financial assets and liabilities	2.4	85	225
Total revenue collected		1 720	2 817
Departmental revenue collected		1 720	2 817

2.1 Sales of goods and services other than capital assets

	Note	2017/18 R'000	2016/17 R'000
Sales of goods and services produced by the department	2		
Sales by market establishment		353	373
Total		353	373

2.2 Interest, dividends and rent on land

	Note	2017/18 R'000	2016/17 R'000
Interest	2	1 032	1 426
Total		1 032	1 426

2.3 Sale of capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets			
Machinery and equipment	2	250	793
Total		250	793

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2.4 Transactions in financial assets and liabilities

	Note	2017/18	2016/17
	2	R'000	R'000
Receivables		62	-
Other Receipts including Recoverable Revenue		23	225
Total		85	225

3. Compensation of employees

3.1 Salaries and Wages

	Note	2017/18	2016/17
		R'000	R'000
Basic salary		221 209	208 692
Performance award		6 160	6 116
Service Based		163	333
Compensative/circumstantial		4 727	3 938
Periodic payments		2 599	2 458
Other non-pensionable allowances		91 458	85 746
Total		326 316	307 283

□ *Non-pensionable Allowances includes salaries for Traditional Leaders, Housing Allowances and Service Bonuses for employees.*

3.2 Social contributions

	Note	2017/18	2016/17
		R'000	R'000
Employer contributions			
Pension		27 638	26 171
Medical		18 870	17 810
UIF		24	25
Bargaining council		65	61
Total		46 597	44 067
Total compensation of employees		372 913	351 350
Average number of employees		810	841

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4. Goods and services

	Note	2017/18 R'000	2016/17 R'000
Administrative fees		542	680
Advertising		786	3 234
Minor assets	4.1	38	3 402
Catering		1 595	6 388
Communication		7 086	7 715
Computer services	4.2	271	260
Consultants: Business and advisory services		5 637	1 799
Infrastructure and planning services		2 075	2 382
Legal services		2 632	6 200
Contractors		320	1 552
Audit cost – external	4.3	3 927	2 783
Fleet services		3 583	3 872
Inventory	4.4	949	30 172
Consumables	4.5	2 825	4 834
Operating leases		10 285	10 139
Property payments	4.6	4 691	4 479
Travel and subsistence	4.7	17 175	18 718
Venues and facilities		621	1 345
Training and development		1 303	3 588
Other operating expenditure	4.8	909	1 549
Total		67 250	115 091

4.1 Minor assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets	4		
Machinery and equipment		38	3 402

4.2 Computer services

	Note	2017/18 R'000	2016/17 R'000
SITA computer services	4	122	260
External computer service providers		149	-
Total		271	260

1.3 Audit cost – External

	Note	2017/18 R'000	2016/17 R'000
Regularity audits	4	3 927	2 783
Total		3 927	2 783

4.4 Inventory

	Note	2017/18 R'000	2016/17 R'000
Clothing material and accessories	4	262	211
Materials and supplies		687	29 961
Total		949	30 172

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4.5 Consumables

	Note	2017/18	2016/17
	4	R'000	R'000
Consumable supplies		594	2 169
Uniform and clothing		65	1 372
Household supplies		515	749
Building material and supplies		7	-
IT consumables		7	11
Other consumables		-	37
Stationery, printing and office supplies		2 231	2 665
Total		2 825	4 834

4.6 Property payments

	Note	2017/18	2016/17
	4	R'000	R'000
Municipal services		3 800	3 363
Property maintenance and repairs		891	1 116
Total		4 691	4 479

4.7 Travel and subsistence

	Note	2017/18	2016/17
	4	R'000	R'000
Local		17 175	18 718

4.8 Other operating expenditure

	Note	2017/18	2016/17
	4	R'000	R'000
Total		909	1 549

□ Other Operating Expenditure includes payment of Insurance for Subsidised Vehicles and Printing Material

5. Payments for financial assets

	Note	2017/18	2016/17
		R'000	R'000
Debts written off		80	233

5.1 Debts written off

	Note	2017/18	2016/17
	5	R'000	R'000
Nature of debts written off			
Headmen /Women		79	205
Board Member (Township Board)		1	-
Suppliers		-	28
Total debt written off		80	233

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6. Transfers and subsidies

		2017/18 R'000	2016/17 R'000
Provinces and municipalities	Note 31	35	52
Non-profit institutions	Annex 1A	21 488	21 150
Households	Annex 1B	786	701
Total		22 309	21 903

7. Expenditure for capital assets

	Note	2017/18 R'000	2016/17 R'000
Tangible assets			
Buildings and other fixed structures	26	19 262	88 501
Machinery and equipment	24.1	33 051	38 591
Total		52 313	127 092

7.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted Funds R'000	Total R'000
Tangible assets		
Buildings and other fixed structures	19 262	19 262
Machinery and equipment	33 051	33 051
Total	52 313	52 313

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

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

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2017/18 R'000	2016/17 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 closing balance			
Unauthorised expenditure awaiting authorisation		22 011	22 011

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8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2017/18	2016/17
	R'000	R'000
Current	4 737	4 737
Capital	17 274	17 274
Total	22 011	22 011

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2017/18	2016/17
	R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within the vote	22 011	22 011

8.4 Unauthorised expenditure split into current and non-current asset

Details	2017/18			2016/17		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Capital	17 274	-	17 274	17 274	-	17 274
Current	4 737	-	4 737	4 737	-	4 737
Total	22 011	-	22 011	22 011	-	22 011

9. Cash and cash equivalents

	Note	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General Account		1 296	2 334
Cash receipts		-	-
Disbursements		(527)	-
Cash on hand		5	-
Total		774	2 334

10. Receivables

	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	310	-	310	829	-	829
Recoverable expenditure	10..2	53	-	53	-	-	-
Staff debt	10.3	57	-	57	135	2	137
Fruitless and wasteful expenditure	10.4	-	-	-	1	-	1
Other debtors	10.5	15	-	15	-	-	-
Total		435	-	435	965	2	967

10.1 Claims recoverable

	Note	2017/18	2016/17
		R'000	R'000
National departments		-	829
Provincial departments		310	-
Total		310	829

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10.2 Recoverable expenditure (disallowance accounts)

	Note	2017/18	2016/17
	10 and Annex 5	R'000	R'000
Legal Fees(DEPT of Education)		44	-
Ex-Employees		9	-
Staff debtors			
Total		53	-

10.3 Staff debtors

	Note	2017/18	2016/17
	10	R'000	R'000
Staff debtors		57	33
Ex-employee			104
Total		57	137

10.4 Fruitless and wasteful expenditure

	Note	2017/18	2016/17
	10	R'000	R'000
Opening balance		1	-
Less amounts recovered			-
Less amounts written off		(1)	-
Transfers from note 22 Fruitless and Wasteful Expenditure		-	1
Total		-	1

10.5 Other Debtors

	Note	2017/18	2016/17
	10	R'000	R'000
Traditional Leaders		15	-
Total		15	-

11. Voted funds to be surrendered to the Revenue Fund

	Note	2017/18	2016/17
		R'000	R'000
Opening balance		23 802	23 077
Prior period error			
As restated		23 802	23 077
Transfer from statement of financial performance (as restated)		179	937
Paid during the year		(937)	(212)
Closing balance		23 044	23 802

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

	Note	2017/18 R'000	2016/17 R'000
Opening balance		1 286	385
Prior period error			-
As restated		1 286	385
Transfer from Statement of Financial Performance (as restated)		1 720	2 817
Paid during the year		(2 909)	(1 916)
Closing balance		97	1 286

13. Payables – current

	Note	2017/18 R'000	2016/17 R'000
Clearing accounts	13.1	26	195
Total		26	195

13.1 Clearing accounts

	Note	2017/18 R'000	2016/17 R'000
Sal Income Tax	13	-	190
Sal ACB Account		18	-
Disallowances Miscellaneous		5	5
DPSA-Donation		3	-
Total		26	195

14. Net cash flow available from operating activities

	Note	2017/18 R'000	2016/17 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1 899	3 754
Add back non cash/cash movements not deemed operating activities		48 580	123 062
(Increase)/decrease in receivables – current		532	(710)
Increase/(decrease) in payables – current		(169)	(399)
Proceeds from sale of capital assets		(250)	(793)
Expenditure on capital assets		52 313	127 092
Surrenders to Revenue Fund		(3 846)	(2 128)
Own revenue included in appropriation			-
Net cash flow generated by operating activities		50 479	126 816

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

	Note	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General account		1 296	2 334
Disbursements		(527)	-
Cash on hand		5	-
Total		774	2 334

16. Contingent liabilities and contingent assets

Contingent liabilities

Liable to	Nature	Note	2017/18 R'000	2016/17 R'000
Claims against the department		Annex 4	40 322	57 891
Intergovernmental payables (unconfirmed balances)			-	-
Total			40 322	57 891

Contingent assets

Nature of contingent asset	Note	2017/18 R'000	2016/17 R'000
Counter claim (Stemashan Sphephelo VS MEC & H.O.D)		13 249	13 249

17. Commitments

	Note	2017/18 R'000	2016/17 R'000
Current expenditure			
Approved and contract		7 795	6 197
		7 795	6 197
Capital expenditure			
Approved and contracted		4 575	21 645
		4 575	21 645
Total Commitments		12 370	27 842

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18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification	2017/18 R'000			2016/17 R'000
	30 Days	30+ Days	Total	Total
Goods and services	3 585	-	3 585	1 519
Other	1 402	-	1 402	226
Total	4 987	-	4 987	1 745

Listed by programme	Note	2017/18	2016/17
		R'000	R'000
1 Administration		2 010	1 166
2 Local Governance		613	140
3 Development and Planning		389	328
4 Traditional Institutes Management		302	46
5 The House of Traditional		1 673	65
Total		4 987	1 745

18.2 Payables not recognised

Listed by economic classification	2017/18 R'000			2016/17 R'000
	30 Days	30+ Days	Total	Total
Other (Capital Assets)	-	21 063	21 063	21 063

Listed by programme level	Note	2017/18	2016/17
		R'000	R'000
Development and Planning		21 063	21 063
Total		21 063	21 063

Included in the above totals are the following:	Note	2017/18	2016/17
		R'000	R'000
Confirmed balances with other government entities	Annex 6	21 063	21 063
Total		21 063	21 063

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19. Employee benefits

	Note	2017/18	2016/17
		R'000	R'000
Leave entitlement		20 095	18 965
Service bonus (Thirteenth cheque)		9 485	8 998
Performance awards		6 160	6 116
Capped leave commitments		12 526	12 041
Total		48 266	46 120

- At this stage the Department is unable to reliably measure the long term portion of the Long Service Awards.
- A prior year adjustment of R 0.153 million on Leave Entitlement and R 0.002 million on Capped Leave was implemented.
- Current year Leave Entitlement includes an amount of R 0.070 million which relates to leave instated after the reporting date and negative leave of R 0.120 million.
- Capped leave for current year includes an amount of R 0.047 million which relates to leave instated after reporting date.

20. Lease commitments

20.1 Operating leases

2017/18	2017/18		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	5 053	662	5 715
Later than 1 year and not later than 5 years	-	397	397
Total lease commitments	5 053	1 059	6 112

2016/17	2016/17		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
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
Later than five years			-
Total lease commitments	8 874	1 498	10 372

21. Irregular expenditure

Reconciliation of irregular expenditure

	Note	2017/18	2016/17
		R'000	R'000
Opening balance		9 813	9 699
Prior period error			-
As restated			114
Closing balance		9 813	9 813

Analysis of awaiting condonation per age classification

Current year	-	114
Prior years	9 813	9 699
Total	9 813	9 813

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

	Note	2017/18 R'000	2016/17 R'000
Opening balance		5	-
Prior period error			-
As restated		5	-
Fruitless and wasteful expenditure – relating to prior year		1	-
Fruitless and wasteful expenditure – relating to current year		71	138
Less: Amounts resolved		(17)	(132)
Less :Amount transferred to receivables for recovery	10	-	(1)
Closing balance		60	5

22.2 Analysis of Current year's fruitless and wasteful expenditure relating to current year & prior years

Incident	Disciplinary action	2017/18 R'000
Accommodation	Recovered	12
Payment of EPWP Youth Waste Beneficiaries	None-under investigation	60
Total		72

23. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers (provide detail below)	1	1 829	1 910
Officials:			-
Level 15 to 16	1	1 508	1 239
Level 14 (incl. CFO if at a lower level)	5	6 379	6 010
Family members of key management personnel	2	786	773
Total	9	10 502	9 932

24. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	73 267		33 065	(68 635)	37 697
Transport assets	18 907	-	3 597	(4 051)	18 453
Computer equipment	6 392	-	502	(181)	6 713
Furniture and office equipment	6 864	-	37	(56)	6 845
Other machinery and equipment	41 104	-	28 929	(64 347)	5 686
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	73 267	-	33 065	(68 635)	37 697

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for the year ended 31 March 2018

24.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	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
MACHINERY AND EQUIPMENT	33 051	14			33 065
Transport assets	3 597	-	-	-	3 597
Computer equipment	502	-	-	-	502
Furniture and office equipment	37	-	-	-	37
Other machinery and equipment	28 915	14	-	-	28 929
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	33 051	14	-	-	33 065

Non-cash additions relates to assets donated to the Department by National COGTA

24.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	906	67 729	68 635	250
Transport assets	906	3 145	4 051	250
Computer equipment	-	181	181	-
Furniture and office equipment	-	56	56	-
Other machinery and equipment	-	64 347	64 347	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	906	67 729	68 635	250

24.3 Movement for 2016/17

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	38 986	122	38 812	(4 653)	73 267
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	122	35 691	(17)	41 104
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	38 986	122	38 812	(4 653)	73 267

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

24.3.1 Prior period error

	Note	2016/17 R'000
Nature of prior period error		
Relating to 2016/17 [affecting the opening balance]	24.3	
Assets not included in the Assets Register (Other Machinery and Equipment)		122
Total prior period errors		122

24. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	6	-	11 848	-	11 854
Additions	-	-	-	79	-	79
Disposals	-	-	-	(152)	-	(152)
TOTAL MINOR ASSETS		6		11 775		11 781

	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		8 167		8 170
TOTAL NUMBER OF MINOR ASSETS		3		8 167		8 170

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

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	3	-	8 205	-	8 208
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS		3		8 205		8 208

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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for the year ended 31 March 2018

24.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	331	-	331

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	679	-	679

24.6 S42 Movable capital assets

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	312	-	312
Value of the assets (R'000)	-	-	-	66 862	-	66 862

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2018

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	57	-	57
Value of the assets (R'000)	-	-	-	97	-	97

25 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

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

25.1 Movement for 2016/17

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

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

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for the year ended 31 March 2018

26. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	-	-	52 931	(52 931)	-

26.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES					
Other fixed structures	19 262	46 632	(12 963)	-	52 931
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	19 262	46 632	(12 963)	-	52 931

26.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	-	52 931	(52 931)	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	52 931	(52 931)	-

26.3 Movement for 2016/17

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	-	-	7 383	(7 383)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	7 383	(7 383)	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

26.4 Capital Work-in-Progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

Note	Opening balance 1 April 2017 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2018 R'000
<i>Annexure 8</i>				
Buildings and other fixed structures	93 736	12 963	(46 632)	60 067
TOTAL	93 736	12 963	(46 632)	60 067

Age analysis on ongoing projects	Number of projects		2017/18
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	-	2	389
1 to 3 Years	-	6	59 678
3 to 5 Years	-	-	-
Total	-	8	60 067

26.5 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017

Note	Opening balance 1 April 2018 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2017 R'000
<i>Annexure 8</i>					
Buildings and other fixed structures	12 618	-	86 117	(4 999)	93 736
TOTAL	12 618	-	86 117	(4 999)	93 736

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
Total	1	22	93 736

26.6 S42 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2017/18

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES		
Other fixed structures	11	51 774
TOTAL	11	51 774

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

Assets subjected to transfer in terms of S42 of the PFMA – 2016/17

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	2	4 999
Dwellings		
Non-residential buildings	-	-
Other fixed structures	2	4 999
TOTAL	2	4 999

27. Prior period errors

27.1 Correction of prior period errors

	Note	Amount before error correction 2016/17 R'000	Prior period error 2016/17 R'000	Restated Amount 2016/17 R'000
Leave Entitlement	19	19 118	(153)	18 965
Capped Leave	19	12 043	(2)	12 041
Other Machinery and Equipment	24	40 982	122	41 104
Assets subjected to S42 of the PFMA	26.6	-	4 999	4 999
Net effect		72 143	4 966	77 109

28. Related Party Transactions

- The Department received services from Mpumalanga Department of Public Works, Roads and Transport for office buildings provided free of charge.
- IT services from Provincial Treasury free of charge.
- Shared Services for Internal Audit and Audit Committee from Office of the Premier free of charge.
- Drafting and making Lease contracts on building from Mpumalanga Public Works, Roads and Transport.
- Job evaluation services from the Mpumalanga Office of the Premier free of charge.

29. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2016/17	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Over spending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP	2 000	-	-	-	2 000	2 000	2 000	-	100 %	2 762	2 762

30. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Mbombela Municipality		74	-	(38)	36	35	-

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 1A

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Traditional Council	21 000	-	488	21 488	21 488	100%	21 150

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
1 Injury on Duty	81	-	-	81	81	100%	-
2 Leave Gratuity	1 110	-	(405)	705	705	100%	701
TOTAL	1 191	-	(405)	786	786	100%	701

ANNEXURE 2

STATEMENT OF GIFT, DONATIONS AND SPONSORSHIP RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATIONS AND SPONSORSHIP	2017/18 R'000	2016/17 R'000
Received in cash			
DPSA	Land Use Management System	795	-
TOTAL		795	-

ANNEXURE 3

STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

Grant Type	Apr 2018 R'000	May 2018 R'000	Jun 2018 R'000	Jul 2018 R'000	Aug 2018 R'000	Sept 2018 R'000	Oct 2018 R'000	Nov 2018 R'000	Dec 2018 R'000	Jan 2018 R'000	Feb 2018 R'000	Mar 2018 R'000	Total R'000
EPWP	-	-	279	511	505	230	234	241	-	-	-	-	2 000
TOTAL	-	-	279	511	505	230	234	241	-	-	-	-	2 000

ANNEXURE 4

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
Claims against the department					
1 African Gaza Church	39	-	-	-	39
2.Stemashan Sphephelo VS MEC & H.O.D	24 708	-	-	-	24 708
3 SN Thwala (NNO &3 Others VS MEC &Mbombela Mayor	944	-	369	-	575
4 Zandi (ERS) Pty Ltd VS Hydrotek Int Ltd ,Department of COGTA	2 200	-	2 200	-	-
5 Mantalane Construction cc VS Rand Water & Department of COGTA	30 000	-	15 000	-	15 000
Total	57 891	-	17 569	-	40 322

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 5

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
1. National Department of Justice	-	829	-	-	-	829	-	-
2. MP Department of Education	44	-	-	-	44	-	-	-
3. MP Department of Sport Art Culture	-	-	153	-	153	-	-	-
4. MP Office of the Premier	157	-	-	-	157	-	-	-
	201	829	153	-	354	829	-	-

Other Government Entities

1. Eskom				4		4	-	-
Grand Total	201	829	153	4	354	833	-	-

ANNEXURE 6

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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
DEPARTMENTS								
Current								
National School of Governance	-	-	-	39	-	39	-	-
National Department of Justice	896	-	-	-	896	-	-	-
MP PWRT	333	-	-	-	333	-	-	-
MP Office Of The Premier	25	-	-	-	25	-	-	-
MP DCSSL	5	-	-	-	5	-	-	-
Subtotal	1 259	-	-	39	1 259	39	-	-
OTHER GOVERNMENT ENTITY								
Current								
Rand Water	21 063	21 063	-	-	21 063	21 063	-	-
TOTAL	22 322	21 063	-	39	22 322	21 102	-	-

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

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UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2018

ANNEXURE 7

INVENTORIES

Inventories [Per major category]	Note	Quantity	2017/18	Quantity	2016/17
			R'000		R'000
Opening balance		12 779	32 512	2 406	12 824
Add/(Less): Adjustments to prior year balance		12	7	-	-
Add: Additions/Purchases – Cash		1 913	949	15 590	30 172
Add: Additions - Non-cash		-	-	12	572
(Less): Disposals		-	-	(29)	(39)
(Less): Issues		(7 540)	(13 638)	(5 200)	(11 017)
Add/(Less): Adjustments		-	-	-	-
Closing balance		7 164	19 830	12 779	32 512

ANNEXURE 8

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	93 736	12 963	(46 632)	60 067
Other fixed structures	93 736	12 963	(46 632)	60 067
TOTAL	93 736	12 963	(46 632)	60 067

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

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	12 618	-	86 117	(4 999)	93 736
Non-residential buildings	12 618	-	86 117	(4 999)	93 736
Other fixed structures					
TOTAL					

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